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[Baird Equity Funds Statement of Additional Information](#)

[Baird LargeCap Fund Summary Prospectus](#)

[Baird MidCap Fund Summary Prospectus](#)

[Baird Small/Mid Cap Value Fund Summary Prospectus](#)

[Baird SmallCap Value Fund Summary Prospectus](#)

[Chautauqua International Growth Fund Summary Prospectus](#)

[Chautauqua Global Growth Fund Summary Prospectus](#)



Prospectus – Baird Funds

May 1, 2017

Baird LargeCap Fund
(Investor Class: BHGSX)
(Institutional Class: BHGIX)

Baird MidCap Fund
(Investor Class: BMDSX)
(Institutional Class: BMDIX)

Baird Small/Mid Cap
Value Fund
(Investor Class: BMVSX)
(Institutional Class: BMVIX)

Baird SmallCap Value Fund
(Investor Class: BSVSX)
(Institutional Class: BSVIX)

Chautauqua International
Growth Fund
(Investor Class: CCWSX)
(Institutional Class: CCWIX)

Chautauqua Global
Growth Fund
(Investor Class: CCGSX)
(Institutional Class: CCGIX)

The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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Summary Section

Baird LargeCap Fund

Investment Objective

The investment objective of the Baird LargeCap Fund (the “Fund”) is to provide long-term growth of capital.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

None

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	<i>Investor Class Shares</i>	<i>Institutional Class Shares</i>
Management Fees	0.65%	0.65%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses	0.49%	0.49%
Total Annual Fund Operating Expenses ⁽¹⁾	1.39%	1.14%
Less: Expense Reimbursement ⁽²⁾	-0.39%	-0.39%
Total Annual Fund Operating Expenses After Expense Reimbursement	1.00%	0.75%

(1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.

(2) Robert W. Baird & Co. Incorporated (the “Advisor”) has contractually agreed to waive management fees and/or reimburse other expenses in order to limit the Fund’s total annual fund operating expenses to 1.00% of average daily net assets for the Investor Class shares and 0.75% of average daily net assets for the Institutional Class shares. This obligation includes interest expense and the fees and expenses incurred by the Fund in connection with the Fund’s investments in other investment companies and excludes taxes, brokerage commissions and extraordinary expenses. If such excluded expenses were incurred, Fund expenses would be higher. The Advisor is entitled to recoup the fees waived and/or expenses reimbursed within a three-year period from the time the expenses were incurred to the extent of the expense limitations described above and in place at the time of the recoupment. The agreement will continue in effect at least through April 30, 2018 and may only be terminated prior to the end of this term by or with the consent of the Board of Directors.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Please note that the one-year numbers below are based on the Fund's net expenses resulting from the expense reimbursement agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$102	\$402	\$723	\$1,635
Institutional Class Shares	\$ 77	\$324	\$590	\$1,351

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 85.0% of the average value of its portfolio.

Principal Investment Strategies

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in the equity securities of large-capitalization companies, principally common stocks and American Depositary Receipts ("ADRs") that are traded on major U.S. exchanges. Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and ADRs) of foreign companies. The Fund defines large-capitalization companies as those companies with a market capitalization within the range of companies in the S&P 500[®] Index at the time of investment. The Fund may also invest in shares of exchange-traded funds ("ETFs") that principally invest in large-capitalization companies such as, without limitation, the iShares S&P Index Fund or SPDR S&P 500 ETF. In selecting investments for the Fund, L2 Asset Management, LLC, the Fund's sub-advisor (the "Subadvisor"), will focus on securities that, in the Subadvisor's opinion, are out-of-favor in the marketplace but that will experience favorable risk-adjusted returns. While the Subadvisor considers both "growth" and "value" factors in its investment processes, the Subadvisor may have a tendency to be more value-oriented.

The Subadvisor's portfolio decision-making process is primarily based on proprietary methodologies that rank securities based on numerous fundamental and other factors incorporating quantitative tools to improve analytical efficiency. As part of its investment process, the Subadvisor evaluates the outputs from the methodologies based on regular fundamental analyses and uses such evaluation to identify process-oriented items to improve the methodologies. More specifically, characteristics or items identified as potential risks or opportunities on a fundamental level are tested to see if they are actionable and can be part of a repeatable investment process. This is done primarily by incorporating relevant fundamental analysis-based insights into the underlying methodologies as and when deemed necessary.

Quantitative investment analysis is a method of evaluating securities by analyzing a large amount of data through the use of algorithms or models to generate an investment decision.

Fundamental analysis involves a bottom-up approach to investing through a detailed analysis of specific companies, including their financial statements and financial ratios, management, competitive advantages and markets, in an attempt to determine the value of its stock.

The Subadvisor also seeks to have exposure across various economic sectors that are comparable to the sector weightings of the S&P 500[®] Index, although some modest over- and under-weights are likely.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Quantitative Model Investment Risks

The success of the quantitative investment methodologies and processes employed by the Subadvisor depends on the analyses and assessments that were used in developing such methodologies and processes, as well as on the accuracy and reliability of models and data provided by third parties. Incorrect analyses and assessments or inaccurate or incomplete models and data would adversely affect performance. Certain events or factors that are assigned little weight may occur or prove to be more likely or may have more relevance than expected, for short or extended periods of time. It is also possible that prices of securities may move in directions that were not predicted by the Subadvisor's quantitative methodologies. There can be no assurance that these methodologies will enable the Fund to achieve its objective.

Active Share Risks

The Fund may frequently have high "active share," which measures how much the holdings of the Fund differ from those of the securities in the S&P 500[®] Index. Funds that have low active share closely resemble the composition of their benchmark index. Active share is often used as a gauge of active management and of potential future excess return. A fund with high active share generally means that the fund's holdings are meaningfully different from the composition of its benchmark index, in terms of both the securities held and their weightings. A high level of active share may result in increased return dispersion, volatility and downside risks.

Sector Risks

The Subadvisor's quantitative investment processes do not limit exposure to any individual economic sector. When weighted toward one or more economic sectors, the Fund is subject to the risk that adverse events, changes or developments within a particular sector or major companies in that sector may result in a meaningful decline in the value of the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Management Risks

The Subadvisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Exchange-Traded Funds Risks

You will indirectly bear fees and expenses charged by the ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Accordingly, your cost of investing in the Fund will generally be higher than the cost of investing directly in the ETF. The market price of ETF shares may trade at a discount to their net asset value or an active trading market for ETF shares may not develop or be maintained. ETFs in which the Fund invests typically will not be able to replicate exactly the performance of the indices they track.

Large Market Capitalization Risks

Stocks of companies with certain market capitalizations may perform differently from the equities markets generally. The Fund's investments will focus on companies with large market capitalizations. At times, large-cap stocks may underperform as compared to small- or mid-cap stocks, and vice versa. Larger, more established companies may be

unable to respond to new competitive challenges such as changes in consumer tastes or innovative smaller competitors.

Investment Style Risks

From time to time and often for extended periods of time, certain investment styles may be in favor while other investment styles may be out of favor. When a certain investment style is out of favor, the performance of that style and stocks that meet the parameters of that style may be weaker than styles and stocks that are in favor. For instance, when the market favors a growth style of investing, growth stocks (e.g., stocks with high price-to earnings or price-to-sales ratios or stocks that have experienced or are perceived as having potential for significant revenue or earnings growth) may perform significantly better than value stocks. While the Subadvisor considers both “growth” and “value” factors in its investment processes, the Subadvisor may have a tendency to be more value-oriented.

Foreign Securities Risks

Securities of foreign issuers and ADRs are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as “Brexit.” There is significant market uncertainty regarding Brexit’s ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund’s investments.

Recent Events Risks

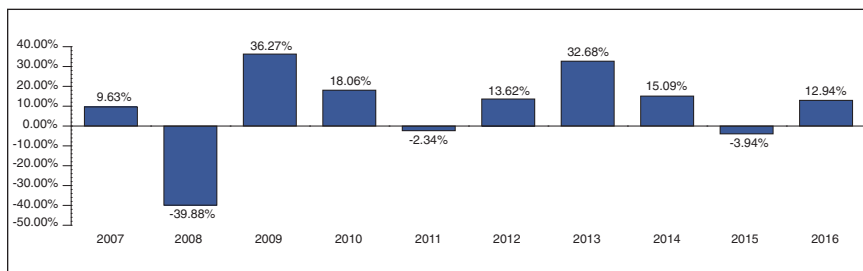
At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

The performance information provides some indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for one, five and ten years and since inception compare with those of a broad measure of market performance. Past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in

the future. Matthew J. Malgari became the Fund's portfolio manager on December 23, 2013. From December 23, 2013 to April 29, 2016, Mr. Malgari managed the Fund as an employee of the Fund's then sub-advisor, Baird Kailash Group, LLC ("BKG"). Since April 29, 2016, Mr. Malgari has managed the Fund with co-manager Sanjeev Bhojraj, Ph.D. as employees of the Fund's current sub-advisor, L2 Asset Management, LLC. The performance results shown in the bar chart and table reflect periods during which the Fund was managed by the Advisor (September 29, 2000 to December 23, 2013), by BKG (December 23, 2013 to April 29, 2016), and by the Subadvisor (April 29, 2016 to December 31, 2016). Updated performance information is available on the Fund's website at www.bairdfunds.com or by calling the Fund toll-free at 1-866-442-2473.

Calendar Year Returns for Institutional Class Shares



Best quarter: 2nd quarter 2009 17.66%

Worst quarter: 4th quarter 2008 -26.49%

Average Annual Total Returns as of December 31, 2016

	1 Year	5 Years	10 Years	Since Inception (9/29/00)
<i>Institutional Class</i>				
Return Before Taxes	12.94%	13.49%	6.90%	3.35%
Return After Taxes on Distributions	12.56%	10.68%	5.55%	2.51%
Return After Taxes on Distributions and Sale of Fund Shares	7.64%	10.39%	5.38%	2.56%
<i>Investor Class</i>				
Return Before Taxes	12.67%	13.22%	6.65%	3.10%
S&P 500® Index				
(reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	6.95%	4.81%

After-tax returns are shown only for Institutional Class shares, and the after-tax returns for Investor Class shares will vary. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns are not relevant if you hold your shares through a tax-deferred account, such as a 401(k) plan or an individual retirement account.

The Return After Taxes on Distributions and Sale of Fund Shares may be higher than other return figures when a capital loss is realized on the sale of Fund shares which provides an assumed tax benefit that increases the after-tax return.

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Subadvisor

L2 Asset Management, LLC is the Fund's sub-advisor.

Portfolio Managers

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Matthew Malgari	2013	Chief Executive Officer, Managing Member and Portfolio Manager of the Subadvisor
Sanjeev Bhojraj, Ph.D.	2016	Chief Investment Officer, Managing Member and Portfolio Manager of the Subadvisor

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Baird MidCap Fund

Investment Objective

The investment objective of the Baird MidCap Fund (the “Fund”) is to provide long-term growth of capital.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

None

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	<i>Investor Class Shares</i>	<i>Institutional Class Shares</i>
Management Fees	0.75%	0.75%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses ⁽¹⁾	0.08%	0.08%
Total Annual Fund Operating Expenses	1.08%	0.83%

(1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$ 110	\$343	\$595	\$1,317
Institutional Class Shares	\$ 85	\$265	\$460	\$1,025

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or

in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 57.2% of the average value of its portfolio.

Principal Investment Strategies

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in the equity securities of U.S. and foreign mid-capitalization companies, principally common stocks, preferred stocks, securities convertible into common stocks and American Depositary Receipts ("ADRs") that are traded on major U.S. exchanges. Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and ADRs) of foreign companies. The Fund defines mid-capitalization companies as those companies with a market capitalization within the range of companies in the Russell Midcap[®] Growth Index at the time of investment.

When analyzing equity securities to be purchased by the Fund, Robert W. Baird & Co. Incorporated (the "Advisor") emphasizes a company's growth prospects. The Fund's investments are selected using a variety of both quantitative techniques and fundamental research in seeking to maximize the Fund's expected return while controlling risk.

The Fund seeks a portfolio comprised of companies which reflect "PRIME" growth factors. These factors are analyzed as part of the Advisor's investment process and are represented in the following ways:

- **Durable Profitability.** Companies with attractive margins and favorable margin trends can drive superior earnings growth.
- **Sustainable Revenue Growth.** Solid barriers to entry, favorable pricing and demonstrated product/service track record can aid top-line prospects.
- **Favorable Industry dynamics.**
- **Management strength and integrity** is a critical element of a high quality company. Growth, profitability and shareholder returns provide insight into management effectiveness. The Advisor seeks companies with management that position their company's balance sheet to be a source of strength.
- **Understanding market Expectations** of a company is important in assessing risk/return opportunities.

The Advisor believes an analysis of these PRIME factors yields insights to the competitive strength of a business model.

The Advisor applies the following strategies when purchasing securities for the Fund's portfolio:

- Intentionally avoiding short-term trading strategies and rapid shifts in industry positions.
- Setting sector limits at the greater of 30% of the Fund's total assets or double the weighting of the Russell Midcap[®] Growth Index in any one sector, as defined by such index.

- Typically holding the securities of fewer than 60 companies with exposure to at least 20 industries.
- Seeking securities whose growth prospects, in the Advisor's opinion, are not reflected in their current stock prices.
- Limiting the size of any one new position. No security will represent more than 5% of the Fund's total assets at the time of purchase.
- Leveraging key tools, such as the Advisor's proprietary tier-board, which provides a visual representation of portfolio positions and enables discussion on relative weights of underlying positions.

The Advisor may sell a security due to achievement of valuation targets, significant change in the initial investment premise or fundamental deterioration.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Growth-Style Investing Risks

Because the Fund focuses on growth-style stocks, its performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Growth stocks are often characterized by high price-to-earnings ratios, which may be more volatile than stocks with lower price-to-earnings ratios.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders

generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Mid-Capitalization Risks

Mid-capitalization stocks are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

Foreign Securities Risks

Securities of foreign issuers and ADRs are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as “Brexit.” There is significant market uncertainty regarding Brexit’s ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund’s investments.

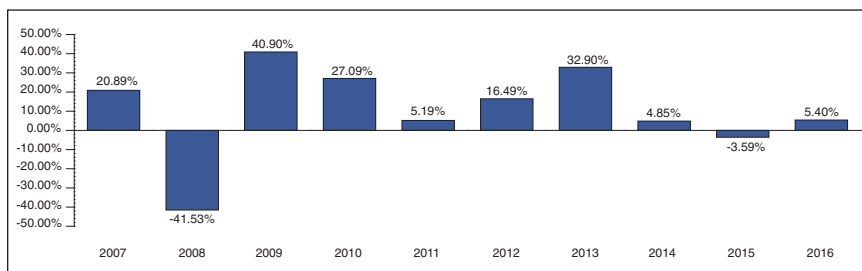
Recent Events Risks

At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

The performance information provides some indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for one, five and ten years and since inception compare with those of a broad measure of market performance. Past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund’s website at www.bairdfunds.com or by calling the Fund toll-free at 1-866-442-2473.

Calendar Year Returns for Institutional Class Shares



Best quarter: 3rd quarter 2009 18.55%

Worst quarter: 4th quarter 2008 -24.90%

Average Annual Total Returns as of December 31, 2016

	1 Year	5 Years	10 Years	Since Inception (12/29/00)
<i>Institutional Class</i>				
Return Before Taxes	5.40%	10.53%	8.19%	6.24%
Return After Taxes on Distributions	5.40%	10.30%	7.69%	5.70%
Return After Taxes on Distributions and Sale of Fund Shares	3.06%	8.34%	6.63%	5.10%
<i>Investor Class</i>				
Return Before Taxes	5.08%	10.25%	7.92%	5.99%
Russell MidCap® Growth Index				
(reflects no deduction for fees, expenses or taxes)	7.33%	13.51%	7.83%	5.77%

After-tax returns are shown only for Institutional Class shares, and the after-tax returns for Investor Class shares will vary. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns are not relevant if you hold your shares through a tax-deferred account, such as a 401(k) plan or an individual retirement account.

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Portfolio Managers

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Charles F. Severson	2000	Senior Portfolio Manager for Baird Equity Asset Management and Managing Director of the Advisor
Kenneth M. Hemauer	2010	Director of Research for Baird Equity Asset Management and Managing Director of the Advisor

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Baird Small/Mid Cap Value Fund

Investment Objective

The investment objective of the Baird Small/Mid Cap Value Fund (the “Fund”) is to provide long-term capital appreciation.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

None

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	<i>Investor Class Shares</i>	<i>Institutional Class Shares</i>
Management Fees	0.80%	0.80%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses	2.07%	2.07%
Total Annual Fund Operating Expenses ⁽¹⁾	3.12%	2.87%
Less: Expense Reimbursement ⁽²⁾	-1.92%	-1.92%
Total Annual Fund Operating Expenses After Expense Reimbursement	1.20%	0.95%

- (1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.
- (2) Robert W. Baird & Co. Incorporated (the “Advisor”) has contractually agreed to waive management fees and/or reimburse other expenses in order to limit the Fund’s total annual fund operating expenses to 1.20% of average daily net assets for the Investor Class shares and 0.95% of average daily net assets for the Institutional Class shares. This obligation includes interest expense and the fees and expenses incurred by the Fund in connection with the Fund’s investments in other investment companies and excludes taxes, brokerage commissions and extraordinary expenses. If such excluded expenses were incurred, Fund expenses would be higher. The Advisor is entitled to recoup the fees waived and/or expenses reimbursed within a three-year period from the time the expenses were incurred to the extent of the expense limitations described above and in place at the time of the recoupment. The agreement will continue in effect at least through April 30, 2018 and may only be terminated prior to the end of this term by or with the consent of the Board of Directors.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example

also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Please note that the one-year numbers below are based on the Fund's net expenses resulting from the expense reimbursement agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$122	\$782	\$1,467	\$3,296
Institutional Class Shares	\$ 97	\$707	\$1,343	\$3,056

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 38.3% of the average value of its portfolio.

Principal Investment Strategies

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in a diversified portfolio of common stocks of companies with small to medium market capitalizations. The Advisor defines such companies as those companies with market capitalizations within the range of companies in the Russell 2500[®] Value Index at the time of investment. Although the Fund invests principally in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and American Depositary Receipts ("ADRs")) of foreign companies that are traded on U.S. exchanges. The Advisor seeks to identify industries and business models that it believes are priced at a discount to their true value because they are currently out of favor with the market or have earnings or profit potential that may be underestimated by Wall Street analysts. The Advisor seeks to purchase securities of small to medium capitalization companies believed to have favorable valuation characteristics and opportunities for increased growth. The Fund may have significant investments in the financial services sector. The Advisor primarily considers the following factors:

- **Valuation** – Low price/earnings, price/book and price/cash flow ratios. These characteristics are evaluated based upon a proprietary analysis of forecasted levels of profitability.
- **Balance Sheet Strength** – Above average projected net margins, returns on equity, returns on assets, free cash flow generation, and revenue and earnings growth rates; trends in balance sheet items, including inventories and accounts receivable and payable, are also scrutinized.
- **Product Offering/Market Position** – The company offers a valuable product or service and has a good market position within a viable industry.

- **Accounting Policies and Management** – The company possesses sound financial and accounting policies and has a high quality management team with a track record of success.

The Advisor will typically sell a security held by the Fund when the investment thesis changes, the company's fundamentals deteriorate, the Advisor identifies portfolio structure or risk management needs and/or the security's valuation relative to its peer group is no longer attractive.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Value-Style Investing Risks

Because the Fund focuses on value-style stocks, its performance may at times be worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Value style investing may go out of favor with investors, negatively impacting the Fund's growth and performance. Value stocks may also fail to appreciate as much as anticipated, and their intrinsic value may not be recognized by the broader market.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Smaller Market Capitalization Risks

Stocks of companies with small and medium market capitalizations involve a higher degree of risk than investments in the broad-based equities market. Small- to mid-cap

stocks are often more volatile and less liquid than investments in larger companies, and are more likely to be adversely affected by poor economic or market conditions. In addition, small- to mid-cap companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

Financial Sector Risks

The Fund may invest a relatively large percentage of its assets in the financial sector and, therefore, the Fund's performance may be adversely affected by volatility in financial and credit markets. Financial services companies (e.g., banks and insurance companies) are subject to extensive government regulation, interest rate risk, credit losses and price competition, among other factors.

Foreign Securities Risks

Securities of foreign issuers and ADRs are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as "Brexit." There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund's investments.

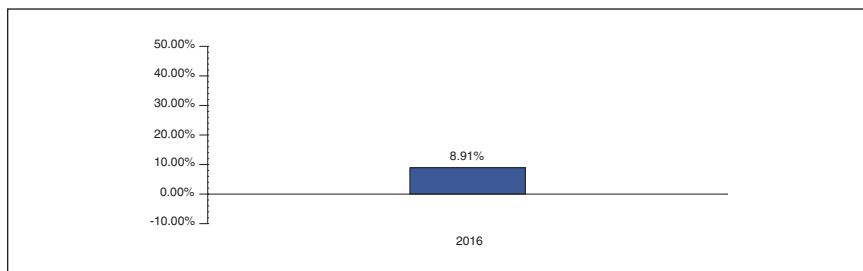
Recent Events Risks

At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

The performance information provides some indication of the risks of investing in the Fund by showing the Fund's performance for the past calendar year and by showing how the Fund's average annual returns for one year and since inception compare with those of a broad measure of market performance. Past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at www.bairdfunds.com or by calling the Fund toll-free at 1-866-442-2473.

Calendar Year Returns for Institutional Class Shares



Best quarter: 4th quarter 2016 3.89%

Worst quarter: 1st quarter 2016 0.21%

Average Annual Total Returns as of December 31, 2016

	1 Year	Since Inception (11/30/15)
<i>Institutional Class</i>		
Return Before Taxes	8.91%	3.53%
Return After Taxes on Distributions	8.71%	3.33%
Return After Taxes on Distributions and Sale of Fund Shares	5.20%	2.69%
<i>Investor Class</i>		
Return Before Taxes	8.64%	3.28%
Russell 2500® Value Index (reflects no deduction for fees, expenses or taxes)	25.20%	17.81%

After-tax returns are shown only for Institutional Class shares, and the after-tax returns for Investor Class shares will vary. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns are not relevant if you hold your shares through a tax-deferred account, such as a 401(k) plan or an individual retirement account.

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Portfolio Manager

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Michelle E. Stevens, CFA	2015	Senior Portfolio Manager for Baird Equity Asset Management and Managing Director of the Advisor

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Baird SmallCap Value Fund

Investment Objective

The investment objective of the Baird SmallCap Value Fund (the “Fund”) is to provide long-term capital appreciation.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

None

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

	<i>Investor Class Shares</i>	<i>Institutional Class Shares</i>
Management Fees	0.85%	0.85%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses	0.59%	0.59%
Total Annual Fund Operating Expenses ⁽¹⁾	1.69%	1.44%
Less: Expense Reimbursement ⁽²⁾	-0.44%	-0.44%
Total Annual Fund Operating Expenses After Expense Reimbursement	1.25%	1.00%

(1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.

(2) Robert W. Baird & Co. Incorporated (the “Advisor”) has contractually agreed to waive management fees and/or reimburse other expenses in order to limit the Fund’s total annual fund operating expenses to 1.25% of average daily net assets for the Investor Class shares and 1.00% of average daily net assets for the Institutional Class shares. This obligation includes interest expense and the fees and expenses incurred by the Fund in connection with the Fund’s investments in other investment companies and excludes taxes, brokerage commissions and extraordinary expenses. If such excluded expenses were incurred, Fund expenses would be higher. The Advisor is entitled to recoup the fees waived and/or expenses reimbursed within a three-year period from the time the expenses were incurred to the extent of the expense limitations described above and in place at the time of the recoupment. The agreement will continue in effect at least through April 30, 2018 and may only be terminated prior to the end of this term by or with the consent of the Board of Directors.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example

also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Please note that the one-year numbers below are based on the Fund's net expenses resulting from the expense reimbursement agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$127	\$490	\$876	\$1,961
Institutional Class Shares	\$102	\$412	\$745	\$1,686

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 48.9% of the average value of its portfolio.

Principal Investment Strategies

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in common stocks in a diversified portfolio of companies with small market capitalizations. The Advisor defines small-cap companies as those companies with market capitalizations within the range of companies in the Russell 2000[®] Value Index at the time of investment. Although the Fund invests principally in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and American Depositary Receipts ("ADRs")) of foreign companies that are traded on U.S. exchanges. The Advisor seeks to identify industries and business models that it believes are priced at a discount to their true value because they are currently out of favor with the market or have earnings or profit potential that may be underestimated by Wall Street analysts. The Advisor seeks to purchase small-cap securities believed to have favorable valuation characteristics and opportunities for increased growth. The Fund may have significant investments in the financial services sector.

The Advisor will typically sell a security held by the Fund when the investment thesis changes, the company's fundamentals deteriorate, the Advisor identifies portfolio structure or risk management needs and/or the security's valuation relative to its peer group is no longer attractive.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme

price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Value-Style Investing Risks

Because the Fund focuses on value-style stocks, its performance may at times be worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Value style investing may go out of favor with investors, negatively impacting the Fund's growth and performance. Value stocks may also fail to appreciate as much as anticipated, and their intrinsic value may not be recognized by the broader market.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Small Market Capitalization Risks

Stocks of companies with small market capitalizations involve a higher degree of risk than investments in the broad-based equities market. Small-cap stocks are often more volatile and less liquid than investments in larger companies, and are more likely to be adversely affected by poor economic or market conditions. In addition, small-cap companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

Financial Sector Risks

The Fund may invest a relatively large percentage of its assets in the financial sector and, therefore, the Fund's performance may be adversely affected by volatility in financial and credit markets. Financial services companies are subject to extensive government regulation, interest rate risk, credit losses and price competition, among other factors.

Foreign Securities Risks

Securities of foreign issuers and ADRs are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting

domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as “Brexit.” There is significant market uncertainty regarding Brexit’s ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund’s investments.

Recent Events Risks

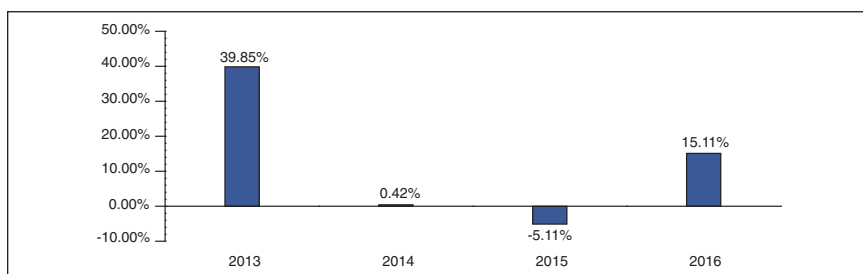
At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

The performance information provides some indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for one year and since inception compare with those of a broad measure of market performance. Past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

Updated performance information is available on the Fund’s website at www.bairdfunds.com or by calling the Fund toll-free at 1-866-442-2473.

Calendar Year Returns for Institutional Class Shares



<i>Best quarter:</i>	1st quarter 2013	12.84%
<i>Worst quarter:</i>	3rd quarter 2015	-6.78%

Average Annual Total Returns as of December 31, 2016

	<u>1 Year</u>	<u>Since Inception (5/1/12)</u>
<i>Institutional Class</i>		
Return Before Taxes	15.11%	10.41%
Return After Taxes on Distributions	14.80%	10.04%
Return After Taxes on Distributions and Sale of Fund Shares	8.81%	8.22%
<i>Investor Class</i>		
Return Before Taxes	14.84%	10.13%
Russell 2000® Value Index		
(reflects no deduction for fees, expenses or taxes)	31.74%	13.87%

After-tax returns are shown only for Institutional Class shares, and the after-tax returns for Investor Class shares will vary. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. After-tax returns are not relevant if you hold your shares through a tax-deferred account, such as a 401(k) plan or an individual retirement account.

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Portfolio Manager

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Michelle E. Stevens, CFA	2012	Senior Portfolio Manager for Baird Equity Asset Management and Managing Director of the Advisor

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Chautauqua International Growth Fund

Investment Objective

The investment objective of the Chautauqua International Growth Fund (the “Fund”) is to provide long-term capital appreciation.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	<i>Investor</i> <u>Class Shares</u>	<i>Institutional</i> <u>Class Shares</u>
Redemption Fee (as a percentage of amount redeemed, for shares held 90 days or less)	2.00%	2.00%
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	<i>Investor</i> <u>Class Shares</u>	<i>Institutional</i> <u>Class Shares</u>
Management Fees	0.80%	0.80%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses	<u>1.53%</u>	<u>1.53%</u>
Total Annual Fund Operating Expenses ⁽¹⁾	2.58%	2.33%
Less: Expense Reimbursement ⁽²⁾	<u>-1.38%</u>	<u>-1.38%</u>
Total Annual Fund Operating Expenses After Expense Reimbursement	1.20%	0.95%

(1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.

(2) Robert W. Baird & Co. Incorporated (the “Advisor”) has contractually agreed to waive management fees and/or reimburse other expenses in order to limit the Fund’s total annual fund operating expenses to 1.20% of average daily net assets for the Investor Class shares and 0.95% of average daily net assets for the Institutional Class shares. This obligation includes interest expense and the fees and expenses incurred by the Fund in connection with the Fund’s investments in other investment companies and excludes taxes, brokerage commissions and extraordinary expenses. If such excluded expenses were incurred, Fund expenses would be higher. The Advisor is entitled to recoup the fees waived and/or expenses reimbursed within a three-year period from the time the expenses were incurred to the extent of the expense limitations described above and in place at the time of the recoupment. The agreement will continue in effect at least through April 30, 2018 and may only be terminated prior to the end of this term by or with the consent of the Board of Directors.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Please note that the one-year numbers below are based on the Fund's net expenses resulting from the expense reimbursement agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$122	\$671	\$1,246	\$2,812
Institutional Class Shares	\$ 97	\$595	\$1,120	\$2,559

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the example, affect the Fund's performance. During the period from April 15, 2016 through December 31, 2016, the Fund's portfolio turnover rate was 72.6% of the average value of its portfolio.

Principal Investment Strategies

The Fund invests primarily in equity securities of both U.S. and non-U.S. companies with medium to large market capitalizations (*i.e.*, those with market capitalizations in excess of U.S. \$5 billion at the time of purchase). Equity securities in which the Fund may invest include common stocks, preferred stocks, depositary shares and receipts, rights, warrants and exchange-traded funds ("ETFs"). Under normal market conditions, the Fund will invest at least 65% of its total assets at the time of purchase in non-U.S. companies. The Fund will normally be diversified among at least three countries in addition to the United States. The Fund invests primarily in developed markets but may invest in emerging and less developed markets. In evaluating potential investments, the Advisor considers companies with growth characteristics that the Advisor believes are likely to benefit from current macro-economic and global trends and sustainable competitive advantages. The Fund will normally hold a concentrated number (generally 25 to 35) of companies.

In determining whether a company is a non-U.S. company, the Advisor considers a number of factors, including the company's jurisdiction of incorporation or organization, the location of the company's corporate or operational headquarters or principal place of business, the location of the principal trading market for the company's common stock, the location(s) of a majority of the company's assets or production of its goods and services, and the locations of the primary sources of the company's revenues or profits.

The Fund may invest in ETFs. For example, the Fund may invest cash temporarily in ETFs until individual securities are identified for purchase or until the Fund is able to purchase securities in a particular country or region.

The Advisor will typically sell or reduce a position to mitigate specific risk, to take advantage of better opportunities, to avoid country risks, when the Advisor believes that valuations are high with limited justification for significant increases, or when operational performance does not meet expectations.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Growth-Style Investing Risks

Because the Fund focuses on growth-style stocks, its performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Growth stocks are often characterized by high price-to-earnings ratios, which may be more volatile than stocks with lower price-to-earnings ratios.

Limited Holdings Risks

Although it is diversified, the Fund may invest a relatively high percentage of assets in a small number of issuers, which may result in increased volatility.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Currency Risks

The value of foreign investments held by the Fund may be significantly affected by changes in foreign currency exchange rates. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that foreign currency loses value

because it is worth fewer U.S. dollars. The foreign currency exchange market can be highly volatile for a variety of reasons. For example, currency conversion expenses, restrictions, exchange control regulation, devaluation and political developments may have a significant impact on the value of any investments denominated in that currency.

Medium and Large Capitalization Risks

Stocks of companies with certain market capitalization may perform differently from the equities markets generally. The Fund's investments will focus on companies with medium and large market capitalizations. At times, mid-cap and large-cap stocks may underperform as compared to small-cap stocks, and vice versa. Larger, more established companies may be unable to respond to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Moreover, mid-cap stocks may perform differently from large-cap stocks, as mid-cap stocks may be less liquid and more volatile than large-cap stocks.

Foreign Securities Risks

Securities of foreign issuers and American Depositary Receipts ("ADRs") are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as "Brexit." There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund's investments.

Emerging Market Risks

Investments in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Emerging market economies can be subject to greater social, economic, regulatory, and political uncertainties. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

Region, Country, Sector Risks

The Fund may invest a higher percentage of its total assets in a particular country, region or sector of international markets, which may have a significant impact on the Fund's overall portfolio.

ETF Risks

You will indirectly bear fees and expenses charged by the ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Accordingly, your cost of investing in the Fund will generally be higher than the cost of investing directly in the ETF. The market price of ETF shares may trade at a discount to their net asset value or an active trading market for ETF shares may not develop or be maintained. ETFs in which the Fund invests typically will not be able to replicate exactly the performance of the indices they track.

Valuation Risks

The prices provided by the Fund's pricing services or independent dealers or the fair value determinations made by the valuation committee of the Advisor may be different from the prices used by other mutual funds or from the prices at which securities are actually bought or sold. The prices of certain securities provided by pricing services may be subject to frequent and significant change, and will vary depending on the information that is available.

Recent Events Risks

At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

No historical performance is available for the Fund because it only recently commenced operations. Performance information will be available after the Fund has been operating for a full calendar year. The Fund's primary benchmark against which it will measure performance is the MSCI ACWI ex USA Index (ND).

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Portfolio Manager

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Brian Beitner, CFA	2016	Managing Director of the Advisor and Managing Partner of the Advisor's Chautauqua Capital Management division

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Chautauqua Global Growth Fund

Investment Objective

The investment objective of the Chautauqua Global Growth Fund (the “Fund”) is to provide long-term capital appreciation.

Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)	<i>Investor</i> <u>Class Shares</u>	<i>Institutional</i> <u>Class Shares</u>
Redemption Fee (as a percentage of amount redeemed, for shares held 90 days or less)	2.00%	2.00%
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)		
	<i>Investor</i> <u>Class Shares</u>	<i>Institutional</i> <u>Class Shares</u>
Management Fees	0.80%	0.80%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses	<u>2.86%</u>	<u>2.86%</u>
Total Annual Fund Operating Expenses ⁽¹⁾	3.91%	3.66%
Less: Expense Reimbursement ⁽²⁾	<u>-2.71%</u>	<u>-2.71%</u>
Total Annual Fund Operating Expenses After Expense Reimbursement	1.20%	0.95%

(1) Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the Ratio of Expenses to Average Net Assets (before waivers) found within the “Financial Highlights” section of this prospectus, which reflects the operating expenses of the Fund and does not include fees and expenses incurred indirectly by the Fund as a result of investments in other investment companies.

(2) Robert W. Baird & Co. Incorporated (the “Advisor”) has contractually agreed to waive management fees and/or reimburse other expenses in order to limit the Fund’s total annual fund operating expenses to 1.20% of average daily net assets for the Investor Class shares and 0.95% of average daily net assets for the Institutional Class shares. This obligation includes interest expense and the fees and expenses incurred by the Fund in connection with the Fund’s investments in other investment companies and excludes taxes, brokerage commissions and extraordinary expenses. If such excluded expenses were incurred, Fund expenses would be higher. The Advisor is entitled to recoup the fees waived and/or expenses reimbursed within a three-year period from the time the expenses were incurred to the extent of the expense limitations described above and in place at the time of the recoupment. The agreement will continue in effect at least through April 30, 2018 and may only be terminated prior to the end of this term by or with the consent of the Board of Directors.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Please note that the one-year numbers below are based on the Fund's net expenses resulting from the expense reimbursement agreement described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Class Shares	\$122	\$943	\$1,781	\$3,959
Institutional Class Shares	\$ 97	\$869	\$1,662	\$3,738

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the example, affect the Fund's performance. During the period from April 15, 2016 through December 31, 2016, the Fund's portfolio turnover rate was 69.4% of the average value of its portfolio.

Principal Investment Strategies

The Fund invests primarily in equity securities of both U.S. and non-U.S. companies with medium to large market capitalizations (*i.e.*, those with market capitalizations in excess of U.S. \$5 billion at the time of purchase). Equity securities in which the Fund may invest include common stocks, preferred stocks, depositary shares and receipts, rights, warrants and exchange-traded funds ("ETFs"). Under normal market conditions, the Fund will invest at least 40% of its total assets at the time of purchase in non-U.S. companies. The Fund will normally be diversified among at least three different countries, including the United States. The Fund invests primarily in developed markets but may invest in emerging and less developed markets. In evaluating potential investments, the Advisor considers companies with growth characteristics that the Advisor believes are likely to benefit from current macro-economic and global trends and to possess sustainable competitive advantages. The Fund will normally hold a concentrated number (generally 35 to 45) of companies.

In determining whether a company is a non-U.S. company, the Advisor considers a number of factors, including the company's jurisdiction of incorporation or organization, the location of the company's corporate or operational headquarters or principal place of business, the location of the principal trading market for the company's common stock, the location(s) of a majority of the company's assets or production of its goods and services, and the locations of the primary sources of the company's revenues or profits.

The Fund may invest in ETFs. For example, the Fund may invest cash temporarily in ETFs until individual securities are identified for purchase or until the Fund is able to purchase securities in a particular country or region. The Advisor will typically sell or reduce a

position to mitigate specific risk, to take advantage of better opportunities, to avoid country risks, when the Advisor believes that valuations are high with limited justification for significant increases, or when operational performance does not meet expectations.

Principal Risks

Please be aware that you may lose money by investing in the Fund. The following is a summary description of certain risks of investing in the Fund.

Stock Market Risks

Stock prices vary and may fall, thus reducing the value of the Fund's investments. Certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market. The U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. Continuing market problems may have adverse effects on the Fund.

Growth-Style Investing Risks

Because the Fund focuses on growth-style stocks, its performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Growth stocks are often characterized by high price-to-earnings ratios, which may be more volatile than stocks with lower price-to-earnings ratios.

Limited Holdings Risks

Although it is diversified, the Fund may invest a relatively high percentage of assets in a small number of issuers, which may result in increased volatility.

Management Risks

The Advisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Fund invests.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

Currency Risks

The value of foreign investments held by the Fund may be significantly affected by changes in foreign currency exchange rates. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that foreign currency loses value because it is worth fewer U.S. dollars. The foreign currency exchange market can be

highly volatile for a variety of reasons. For example, currency conversion expenses, restrictions, exchange control regulation, devaluation and political developments may have a significant impact on the value of any investments denominated in that currency.

Medium to Large Capitalization Risks

Stocks of companies with certain market capitalization may perform differently from the equities markets generally. The Fund's investments will focus on companies with medium to large market capitalizations. At times, mid-cap and large-cap stocks may underperform as compared to small-cap stocks, and vice versa. Larger, more established companies may be unable to respond to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Moreover, mid-cap stocks may perform differently from large-cap stocks, as mid-cap stocks may be less liquid and more volatile than large-cap stocks.

Foreign Securities Risks

Securities of foreign issuers and American Depositary Receipts ("ADRs") are subject to certain inherent risks, such as political or economic instability of the country of issue and government policies, tax rates, prevailing interest rates and credit conditions that may differ from those affecting domestic corporations. Securities of foreign issuers and ADRs may also be subject to currency fluctuations and controls and greater fluctuation in price than the securities of domestic corporations. Foreign companies generally are not subject to uniform auditing and financial reporting standards comparable to those applicable to domestic companies.

In June 2016, the United Kingdom (UK) voted to leave the European Union (EU) following a referendum referred to as "Brexit." There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Fund's investments.

Emerging Market Risks

Investments in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Emerging market economies can be subject to greater social, economic, regulatory, and political uncertainties. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

Region, Country, Sector Risks

The Fund may invest a higher percentage of its total assets in a particular country, region or sector of international markets, which may have a significant impact on the Fund's overall portfolio.

ETF Risks

You will indirectly bear fees and expenses charged by the ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Accordingly, your cost of investing in the Fund will generally be higher than the cost of investing directly in the ETF. The market price of ETF shares may trade at a discount to their net asset value or an active trading market for ETF shares may not develop or be maintained. ETFs in which the Fund invests typically will not be able to replicate exactly the performance of the indices they track.

Valuation Risks

The prices provided by the Fund's pricing services or independent dealers or the fair value determinations made by the valuation committee of the Advisor may be different from the prices used by other mutual funds or from the prices at which securities are actually bought or sold. The prices of certain securities provided by pricing services may be subject to frequent and significant change, and will vary depending on the information that is available.

Recent Events Risks

At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. There is uncertainty regarding how the financial markets will react to any potential changes and, as a result, market problems may have adverse effects on the Fund.

Performance

No historical performance is available for the Fund because it only recently commenced operations. Performance information will be available after the Fund has been operating for a full calendar year. The Fund's primary benchmark against which it will measure performance is the MSCI ACWI Index (ND).

Investment Advisor

Robert W. Baird & Co. Incorporated is the Fund's investment advisor.

Portfolio Manager

<u>Name</u>	<u>Portfolio Manager of the Fund Since</u>	<u>Title</u>
Brian Beitner, CFA	2016	Managing Director of the Advisor and Managing Partner of the Advisor's Chautauqua Capital Management division

For important information about the purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation" on page 37.

Purchase and Sale of Fund Shares, Taxes and Financial Intermediary Compensation

Purchase and Sale of Fund Shares

You may purchase or redeem shares of each Fund on any day the New York Stock Exchange (the “NYSE”) is open by written request via mail (Baird Funds, Inc. c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, WI 53201-0701) or overnight delivery (Baird Funds, Inc. c/o U.S. Bancorp Fund Services, LLC, 615 E. Michigan Street, Third Floor, Milwaukee, WI 53202), by wire transfer, by telephone at 1-866-442-2473, or through a financial intermediary. Purchases and redemptions by telephone are only permitted if you previously established these options on your account.

The minimum initial and subsequent investment amounts are shown below, although the Funds may reduce or waive them in some cases in its discretion.

	<i>Initial Purchase</i>	<i>Subsequent Purchases</i>
Investor Class	\$1,000 – Individual Retirement Accounts (Traditional/Roth/SIMPLE/SEP IRAs) and Coverdell Education Savings Account	\$100
	\$2,500 – All Other Accounts	\$100
Institutional Class	\$25,000 – All Account Types	No minimum

Tax Information

Each Fund’s distributions may be subject to federal income tax and may be taxed as ordinary income or long-term capital gains unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. You may be taxed later upon the withdrawal of such funds.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Funds and their related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Funds over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

Principal Investment Strategies, Related Risks and Disclosure of Portfolio Holdings

This prospectus describes the Baird LargeCap Fund (“LargeCap Fund”), Baird MidCap Fund (“MidCap Fund”), Baird Small/Mid Cap Value Fund (“Small/Mid Cap Value Fund”), Baird SmallCap Value Fund (“SmallCap Value Fund”), Chautauqua International Growth Fund (“International Growth Fund”) and Chautauqua Global Growth Fund (“Global Growth Fund”) (each, a “Fund” and collectively, the “Funds”), six investment portfolios offered by Baird Funds, Inc. (“Baird Funds” or the “Company”).

Investment Objectives

LargeCap Fund

The investment objective of the LargeCap Fund is to provide long-term growth of capital.

MidCap Fund

The investment objective of the MidCap Fund is to provide long-term growth of capital.

Small/Mid Cap Value Fund

The investment objective of the Small/Mid Cap Value Fund is to provide long-term capital appreciation.

SmallCap Value Fund

The investment objective of the SmallCap Value Fund is to provide long-term capital appreciation.

International Growth Fund

The investment objective of the International Growth Fund is to provide long-term capital appreciation.

Global Growth Fund

The investment objective of the Global Growth Fund is to provide long-term capital appreciation.

These investment objectives are fundamental and may not be changed without shareholder approval. The percentage limitations set forth under “Principal Investment Strategies” are measured at the time of investment.

Principal Investment Strategies

LargeCap Fund

The Fund will normally invest at least 80% of its net assets, plus any borrowings for investment purposes, in the equity securities of large-capitalization companies, principally common stocks and American Depositary Receipts (“ADRs”) that are traded on major U.S. exchanges. Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and ADRs) of foreign companies. The Fund defines large-capitalization companies as those companies with a market capitalization within the range of companies in the S&P 500[®] Index at the time of investment. The Fund may also invest in shares of exchange-traded funds (“ETFs”) that principally invest in large-capitalization companies such as, without limitation, the iShares S&P Index Fund or SPDR S&P 500 ETF. The Fund generally will not invest more than 25% of its total assets in a single ETF. In selecting investments for the Fund, L2 Asset Management, LLC, the Fund’s sub-advisor (the “Subadvisor”), will focus on securities that, in the Subadvisor’s opinion, are out-of-favor in the marketplace but that will experience favorable risk-adjusted returns. While the Subadvisor focuses on securities that it believes are out-of-favor, the Fund’s portfolio may contain securities that are commonly referred to as “growth” stocks in addition to securities that are commonly referred to as “value” stocks.

As of March 31, 2017, the market capitalization of companies in the S&P 500[®] Index ranged from \$2.7 billion to \$753.7 billion, with median and weighted average market capitalizations of \$20.0 billion and \$42.2 billion, respectively. The Index is reconstituted on an as needed basis by the S&P Index Committee. The S&P 500[®] Index measures the performance of 500 common stocks chosen for market size, liquidity and industry group representation of U.S. equity performance. This index does not reflect any deduction for fees, expenses or taxes. A direct investment in the index is not possible.

The Subadvisor’s portfolio decision-making process is primarily based on proprietary methodologies that rank securities based on numerous fundamental and other factors incorporating quantitative tools to improve analytical efficiency. As part of its investment process, the Subadvisor evaluates the outputs from the methodologies based on regular fundamental analyses and uses such evaluation to identify process-oriented items to improve the methodologies. More specifically, characteristics or items identified as potential risks or opportunities on a fundamental level are tested to see if they are actionable and can be part of a repeatable investment process. This is done primarily by incorporating relevant fundamental analysis-based insights into the underlying methodologies as and when deemed necessary.

Quantitative investment analysis is a method of evaluating securities by analyzing a large amount of data through the use of algorithms or models to generate an investment decision.

Fundamental analysis involves a bottom-up approach to investing through a detailed analysis of specific companies, including their financial statements and financial ratios, management, competitive advantages and markets, in an attempt to determine the value of its stock.

The Subadvisor also seeks to have exposure across various economic sectors that are comparable to the sector weightings of the S&P 500[®] Index, although some modest over- and under-weights are likely.

The Subadvisor may sell a security when the investment model indicates that the security no longer meets the criteria described above.

Cash or Similar Investments; Temporary Strategies

Under normal circumstances, the Fund may invest up to 20% of its net assets in cash or liquid reserves (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit). However, the Fund may invest up to 100% of its total assets in cash or similar short-term investment grade securities (such as U.S.

government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit) as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent the Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

Investment Grade Securities are:
Securities rated in one of the four highest categories by Standard & Poor's ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") or another nationally recognized statistical rating organization.

MidCap Fund

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in the equity securities of mid-capitalization companies, principally common stocks, preferred stocks, securities convertible into common stocks and ADRs that are traded on major U.S. exchanges. Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities (consisting of common stocks, ordinary shares and ADRs) of foreign companies. The Fund defines mid-capitalization companies as those companies with a market capitalization within the range of companies in the Russell Midcap[®] Growth Index at the time of investment. As of March 31, 2017, the market capitalization of companies in the Russell MidCap[®] Growth Index ranged from \$71.6 billion to \$63.7 billion, with median and weighted average market capitalizations of \$7.2 billion and \$14.3 billion, respectively. The Index is reconstituted annually in June. The Russell Midcap[®] Growth Index measures the performance of those Russell Midcap[®] companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap[®] Index consists of the 800 smallest companies in the Russell 1000[®] Index. The Russell 1000[®] Index consists of the largest 1,000 companies in the Russell 3000[®] Index, which in turn consists of the 3,000 largest U.S. domiciled publicly traded common stocks by market capitalization. These indices do not reflect any deduction for fees, expenses or taxes. A direct investment in an index is not possible.

When analyzing equity securities to be purchased by the Fund, the Advisor emphasizes a company's growth prospects. The Fund's investments are selected using a variety of both quantitative techniques and fundamental research in seeking to maximize the Fund's expected return while controlling risk.

The Fund seeks a portfolio comprised of companies which reflect “PRIME” growth factors. These factors are analyzed as part of the Advisor’s investment process and are represented in the following ways:

- **Durable Profitability.** Companies with attractive margins and favorable margin trends can drive superior earnings growth.
- **Sustainable Revenue Growth.** Solid barriers to entry, favorable pricing and demonstrated product/service track record can aid top-line prospects.
- **Favorable Industry dynamics.**
- **Management strength and integrity** is a critical element of a high quality company. Growth, profitability and shareholder returns provide insight into management effectiveness. The Advisor seeks companies with management that position their company’s balance sheet to be a source of strength.
- **Understanding market Expectations** of a company is important in assessing risk/return opportunities.

The Advisor believes an analysis of these PRIME factors yields insights to the competitive strength of a business model.

The Advisor applies the following strategies when purchasing securities for the Fund’s portfolio:

- Intentionally avoiding short-term trading strategies and rapid shifts in industry positions.
- Setting sector limits at the greater of 30% of the Fund’s total assets or double the weighting of the Russell Midcap[®] Growth Index in any one sector, as defined by such index. Thus, the Fund may be heavily invested in a single sector. However, a single sector may include numerous subsectors or industries. The Fund may therefore be concentrated in one sector, while being diversified among several industries.
- Typically holding the securities of fewer than 60 companies with exposure to at least 20 industries.
- Seeking securities whose growth prospects, in the Advisor’s opinion, are not reflected in their current stock prices.
- Limiting the size of any one new position. No security will represent more than 5% of the Fund’s total assets at the time of purchase.
- Leveraging key tools, such as the Advisor’s proprietary tier-board, which provides a visual representation of portfolio positions and enables discussion on relative weights of underlying positions.

The Advisor may sell a security due to achievement of valuation targets, significant change in the initial investment premise or fundamental deterioration. Fundamental deterioration occurs when a company is no longer able to achieve the results generally expected by the investment management team due to a specific issue, such as a loss of a key customer or pricing pressure in the industry.

Illiquid Investments

The Fund may invest up to 15% of its net assets in illiquid securities. Illiquid securities are securities that cannot be sold or disposed of within seven days at their approximate market value.

Cash or Similar Investments; Temporary Strategies

Under normal circumstances, the Fund may invest up to 20% of its net assets in cash or liquid reserves (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit). However, the Fund may invest up to 100% of its total assets in cash or similar short-term investment grade securities (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit) as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent the Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

Investment Grade Securities are:

Securities rated in one of the four highest categories by Standard & Poor's ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") or another nationally recognized statistical rating organization.

Small/Mid Cap Value Fund

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in a diversified portfolio of common stocks of companies with small to medium market capitalizations. The Advisor defines such companies as those companies with market capitalizations within the range of companies in the Russell 2500[®] Value Index at the time of investment. As of March 31, 2017, the market capitalization of companies in the Russell 2500[®] Value Index ranged from \$30.4 million to \$16.0 billion, with median and weighted average market capitalizations of \$698.5 million and \$2.1 billion, respectively. The Index is reconstituted annually in June. The Fund can continue to increase its existing holdings of a company's stock even if the company later falls outside of the range of Russell 2500[®] Value Index companies.

Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities consisting of common stocks, ordinary shares and ADRs of foreign companies that are traded on U.S. exchanges. The Advisor seeks to identify industries and business models that it believes are priced at a discount to their true value because they are currently out of favor with the market or have earnings or profit potential that may be underestimated by Wall Street analysts. The Advisor seeks to purchase securities believed to have favorable valuation characteristics and opportunities for increased growth. The Advisor primarily considers the following factors:

- **Valuation** – Low price/earnings, price/book and price/cash flow ratios. These characteristics are evaluated based upon a proprietary analysis of forecasted levels of profitability.
- **Balance Sheet Strength** – Above average projected net margins, returns on equity, returns on assets, free cash flow generation, and revenue and earnings growth

rates; trends in balance sheet items, including inventories, and accounts receivable and payable, are also scrutinized.

- **Product Offering/Market Position** – The company offers a valuable product or service and has a good market position within a viable industry.
- **Accounting Policies and Management** – The company possesses sound financial and accounting policies and has a high quality management team with a track record of success.

The Advisor will typically sell a security held by the Fund when the investment thesis changes, the company's fundamentals deteriorate, the Advisor identifies portfolio structure or risk management needs and/or the security's valuation relative to its peer group is no longer attractive.

Cash or Similar Investments; Temporary Strategies

Under normal circumstances, the Fund may invest up to 20% of its net assets in cash or liquid reserves (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit). However, the Fund may invest up to 100% of its total assets in cash or other short-term instruments as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent the Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

Small Cap Value Fund

The Fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in common stocks in a diversified portfolio of companies with small market capitalizations. The Advisor defines small-cap companies as those companies with market capitalizations within the range of companies in the Russell 2000[®] Value Index at the time of investment. As of March 31, 2017, the market capitalization of companies in the Russell 2000[®] Value Index ranged from \$30.4 million to \$24.2 billion, with median and weighted average market capitalizations of \$995.4 million and \$4.4 billion, respectively. The Index is reconstituted annually in June. The Fund can continue to increase its existing holdings of a company's stock even if the company later falls outside of the range of Russell 2000[®] Value Index companies.

Although the Fund principally invests in U.S. companies, the Fund may invest up to 15% of its total assets in equity securities consisting of common stocks, ordinary shares and ADRs of foreign companies that are traded on U.S. exchanges. The Advisor seeks to identify industries and business models that it believes are priced at a discount to their true value because they are currently out of favor with the market or have earnings or profit potential that may be underestimated by Wall Street analysts. The Advisor seeks to purchase small-cap securities believed to have favorable valuation characteristics and opportunities for increased growth. The Advisor primarily considers the following factors:

- **Valuation** – Low price/earnings, price/book and price/cash flow ratios. These characteristics are evaluated based upon a proprietary analysis of forecasted levels of profitability.
- **Balance Sheet Strength** – Above average projected net margins, returns on equity, returns on assets, free cash flow generation, and revenue and earnings growth rates; trends in balance sheet items, including inventories and accounts receivable and payable, are also scrutinized.
- **Product Offering/Market Position** – The company offers a valuable product or service and has a good market position within a viable industry.
- **Accounting Policies and Management** – The company possesses sound financial and accounting policies and has a high quality management team with a track record of success.

The Advisor will typically sell a security held by the Fund when the investment thesis changes, the company's fundamentals deteriorate, the Advisor identifies portfolio structure or risk management needs and/or the security's valuation relative to its peer group is no longer attractive.

Cash or Similar Investments; Temporary Strategies

Under normal circumstances, the Fund may invest up to 20% of its net assets in cash or liquid reserves (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit). However, the Fund may invest up to 100% of its total assets in cash or other short-term instruments as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent the Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

LargeCap Fund, MidCap Fund, Small/Mid Cap Value Fund and SmallCap Value Fund

Each Fund will provide its shareholders with at least a 60-day notice of any change in such Fund's policy to invest at least 80% of its assets in the types of securities suggested by its name. For each Fund, the percentage limitations set forth under "Principal Investment Strategies" are measured at the time of investment.

Foreign Securities and ADRs

Each Fund may invest up to 15% of its total assets in common stocks or ordinary shares of foreign issuers and ADRs that are traded on a major U.S. exchange. ADRs are receipts generally issued by U.S. banks or trust companies evidencing ownership of the underlying foreign securities and denominated in U.S. dollars. ADRs may be sponsored or unsponsored. "Sponsored" ADRs are issued jointly by the issuer of the underlying security and the depository and "unsponsored" ADRs are issued without the participation of the issuer of the deposited security. Holders of unsponsored ADRs generally bear all costs of the facility. With sponsored facilities, the underlying issuer typically bears some of the costs of the facility.

International Growth Fund and Global Growth Fund

The International Growth Fund invests primarily in equity securities of both U.S. and non-U.S. companies with medium to large market capitalizations (*i.e.*, those with market capitalizations in excess of U.S. \$5 billion at the time of purchase). Equity securities in which the International Growth Fund may invest include common stocks, preferred stocks, depositary shares and receipts, rights, warrants and ETFs. Under normal conditions, the International Growth Fund will invest at least 65% of its total assets at the time of purchase in non-U.S. companies. The International Growth Fund invests primarily in developed markets but may invest in emerging and less developed markets. The International Growth Fund will typically own 25 to 35 companies in its portfolio. Under normal market conditions, the International Growth Fund will maintain investments in companies that are principally tied economically to at least three countries, in addition to the United States.

The Global Growth Fund invests primarily in equity securities of both U.S. and non-U.S. companies with medium to large market capitalizations (*i.e.*, those with market capitalizations in excess of U.S. \$5 billion at the time of purchase). Equity securities in which the Global Growth Fund may invest include common stocks, preferred stocks, depositary shares and receipts, rights, warrants and ETFs. Under normal market conditions, the Global Growth Fund will invest at least 40% of its total assets at the time of purchase in non-U.S. companies. The Global Growth Fund invests primarily in developed markets but may invest in emerging and less developed markets. The Global Growth Fund will typically own 35 to 45 companies in its portfolio. Under normal market conditions, the Global Growth Fund will maintain investments in companies that are principally tied economically to at least three countries including the United States.

In determining whether a company is a non-U.S. company, the Advisor considers a number of factors, including the company's jurisdiction of incorporation or organization, the location of the company's corporate or operational headquarters or principal place of business, the location of principal trading market for the company's common stock, the location(s) of a majority of the company's assets or production of its goods and services, and the locations of the primary sources of the company's revenues or profits. The International Growth Fund and Global Growth Fund will generally invest in companies with medium and larger market capitalizations (*i.e.*, more than U.S. \$5 billion at the time of purchase).

The Advisor seeks to identify companies to which the Advisor assigns a high conviction weighting, which takes into account the company's long-term appreciation potential as adjusted for the risk of possible disappointment. In evaluating potential investments, the Advisor considers companies with growth characteristics that the Advisor believes are likely to benefit from current macro-economic and global trends and to possess sustainable competitive advantages. The Advisor's investment process involves a simultaneous assessment of both top-down and bottom-up factors. The objective of the Advisor's top-down analysis is to identify trends in economic and business developments and to understand the economic and currency impacts in the countries where the companies are doing business. With respect to its bottom-up research, the Advisor

utilizes both qualitative as well as quantitative screens to select the best companies for the portfolios. With respect to qualitative screens, the Advisor primarily seeks companies that are growing faster than their peers, have a leading or growing market share and are large enough to defend themselves from competitors. The Advisor also checks to ensure that a company meets its strict quality requirements including conservative accounting and balance sheet strength. The quantitative screens generally emphasize historical profitability and growth. The Advisor seeks to manage risk through an emphasis on quality and thoughtful diversification based on sector, country, and region. Before making an investment, the Advisor will consider the reasonableness of the company's valuation. The Advisor will typically sell or reduce a position to mitigate specific risk, to take advantage of better opportunities, to avoid country risks, when the Advisor believes that valuations are high with limited justification for significant increases, or when operational performance does not meet expectations.

Cash or Similar Investments; Temporary Strategies

Under normal circumstances, each Fund may invest up to 10% of its total assets in cash or liquid reserves (such as U.S. government securities, money market mutual funds, repurchase agreements, commercial paper or certificates of deposit). However, each Fund may invest up to 100% of its net assets in cash or other short-term instruments as a temporary defensive position during adverse market, economic or political conditions and in other limited circumstances. To the extent a Fund engages in any temporary strategies or maintains a substantial cash position, the Fund may not achieve its investment objective.

Principal Risks

The main risks of investing in each of the Funds are:

Stock Market Risks

Equity security prices vary and may fall, thus reducing the value of a Fund's investments. Certain stocks selected for a Fund's portfolio may decline in value more than the overall stock market. U.S. and international markets have experienced extreme price volatility, reduced liquidity and valuation difficulties in recent years. As a result, many of the above risks may be increased. Continuing market problems may have adverse effects on the Funds.

Value-Style Investing Risks (Small/Mid Cap Value Fund and SmallCap Value Fund only)

Because the Small/Mid Cap Value Fund and SmallCap Value Fund focus on value-style stocks, the Funds' performance may at times be worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Value style investing may go out of favor with investors, negatively impacting a Fund's growth and performance. Value stocks may also fail to appreciate as much as anticipated, and their intrinsic value may not be recognized by the broader market.

Growth-Style Investing Risks (MidCap Fund, International Growth Fund and Global Growth Fund only)

Different types of stocks tend to shift into and out of favor with stock market investors depending on market and economic conditions. Because the MidCap Fund,

International Growth Fund and Global Growth Fund focus on growth-style stocks, the Funds' performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style. Growth stocks are often characterized by high price-to-earnings ratios, which may be more volatile than stocks with lower price-to-earnings ratios.

Investment Style Risks (LargeCap Fund only)

From time to time and often for extended periods of time, certain investment styles may be in favor while other investment styles may be out of favor. When a certain investment style is out of favor, the performance of that style and stocks that meet the parameters of that style may be weaker than styles and stocks that are in favor. For instance, when the market favors a growth style of investing, growth stocks (*e.g.*, stocks with high price-to earnings or price-to-sales ratios or stocks that have experienced or are perceived as having potential for significant revenue or earnings growth) may perform significantly better than value stocks. While the Subadvisor considers both growth and value factors in its investment processes, the Subadvisor may have a tendency to be more value-oriented.

Limited Holdings Risks (International Growth Fund and Global Growth Fund)

Although they are diversified, the International Growth Fund and Global Growth Fund may have a relatively high percentage of assets in a small number of issuers and may have fewer holdings than other mutual funds. As a result, a decline in the value of an investment in a single issuer could cause a Fund's overall value to decline to a greater degree than if the Funds held a more diverse portfolio.

Quantitative Model Investment Risks (LargeCap Fund only)

The success of the quantitative investment methodologies and processes employed by the Subadvisor depends on the analyses and assessments that were used in developing such methodologies and processes, as well as on the accuracy and reliability of models and data provided by third parties. The Subadvisor relies on a license provided by a third party in developing the model. Incorrect analyses and assessments or inaccurate or incomplete models and data would adversely affect performance. Additionally, the Subadvisor's methodologies and processes are predictive in nature, based on historical outcomes and trends. Certain low-probability events or factors that are assigned little weight may occur or prove to be more likely or may have more relevance than expected, for short or extended periods of time, which may adversely affect the portfolios generated by the Subadvisor's quantitative methodologies and processes. It is also possible that prices of securities may move in directions that were not predicted by the Subadvisor's quantitative methodologies and processes or may fail to move as much as predicted, for reasons that were not expected. There can be no assurance that these methodologies will enable the Fund to achieve its objective.

Active Share Risks (LargeCap Fund only)

The Fund may frequently have high "active share," which measures how much the holdings of the Fund differ from those of the securities in the S&P 500® Index. Funds that have low active share closely resemble the composition of their benchmark index. Active share is often used as a gauge of active management and of potential future excess

return. A fund with high active share generally means that the fund's holdings are meaningfully different from the composition of its benchmark index, in terms of both the securities held and their weightings. A high level of active share may result in increased return dispersion, volatility and downside risks.

Sector Risks (LargeCap Fund only)

The Subadvisor's quantitative investment processes do not limit exposure to any individual economic sector. When weighted toward one or more economic sectors, the Fund is subject to the risk that adverse events, changes or developments within a particular sector or major companies in that sector may result in a meaningful decline in the value of the Fund.

Management Risks

The Advisor's or Subadvisor's judgments about the attractiveness, value and potential appreciation of particular companies' stocks may prove to be incorrect. Such errors could result in a negative return and a loss to you.

Equity Securities Risks

Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This change may occur because of factors that affect the securities markets in general, such as adverse changes in economic conditions, the general outlook for corporate earnings, interest rates or investor sentiment. Equity securities may also lose value because of factors affecting an entire industry or sector, such as increases in production costs, or factors directly related to a specific company, such as decisions made by its management.

Common Stock Risks

Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises. Holders of common stocks are generally subject to greater risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors.

ETF Risks (LargeCap Fund, International Growth Fund and Global Growth Fund only)

The price of an ETF can fluctuate within a wide range, and a Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to risks that the market price of ETF shares may trade at a discount to their NAV, an active trading market for ETF shares may not develop or be maintained, or trading of ETF shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Additionally, a Fund will bear its proportionate share of an ETF's fees and expenses (including management fees, administration fees and custodian fees) in addition to the fees and expenses of the Fund.

Currency Risks (International Growth Fund and Global Growth Fund only)

The value of foreign investments held by the International Growth Fund and Global Growth Fund may be significantly affected by changes in foreign currency exchange rates. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that foreign currency loses value because it is worth fewer U.S. dollars. The foreign currency exchange market can be highly volatile for a variety of reasons. For example, currency conversion expenses, restrictions, exchange control regulation, devaluation and political developments may have a significant impact on the value of any investments denominated in that currency.

Medium and Large Market Capitalization Risks (LargeCap Fund, International Growth Fund and Global Growth Fund only)

Stocks of companies with certain market capitalizations may perform differently from the equities markets generally. The Funds' investments will focus on companies with medium and large market capitalizations. At times, mid-cap and large-cap stocks may underperform as compared to small-cap stocks, and vice versa. Larger, more established companies may be unable to respond to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Moreover, mid-cap stocks may perform differently from large-cap stocks, as mid-cap stocks may be less liquid and more volatile than large-cap stocks.

Mid-Market Capitalization Risks (MidCap Fund only)

The Fund invests primarily in mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure. You should expect that the value of the Fund's shares will be more volatile than the value of shares in a fund that invests primarily in large-capitalization companies.

Smaller Market Capitalization Risks (Small/Mid Cap Value Fund and SmallCap Value Fund only)

Stocks of companies with small and medium market capitalizations involve a higher degree of risk than investments in the broad-based equities market. Small- to mid-cap stocks are often more volatile and less liquid than investments in larger companies, and are more likely to be adversely affected by poor economic or market conditions. The frequency and volume of trading in securities of smaller companies may be substantially less than is typical of larger companies. Therefore, the securities of small- to mid-cap companies may be subject to greater and more abrupt price fluctuations. In addition, small- to mid-cap companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure. A significant percentage of the outstanding shares of a smaller company may also be held by management, which could cause management to have greater influence over actions requiring shareholder approval. The risks of investing in smaller companies generally increase as the size of the companies decreases.

Financial Sector Risks (Small/Mid Cap Value Fund and SmallCap Value Fund only)

A Fund may invest a relatively large percentage of its assets in the financial sector and, therefore, a Fund's performance may be adversely affected by volatility in financial and credit markets. Financial services companies (e.g., banks and insurance companies) are subject to extensive government regulation, interest rate risk, credit losses and price competition, among other factors. In recent years, the financial sector has been significantly impacted by bankruptcies and consolidations of major financial firms. These events may continue to have a significant negative impact on the valuations and stock prices of companies in this sector.

Foreign Securities Risks

Securities of foreign issuers and ADRs are subject to certain inherent risks, such as political or economic instability of the country of issue, the difficulty of predicting international trade patterns and the possibility of imposition of exchange controls. Such securities may also be subject to greater fluctuations in price than securities of domestic corporations. In addition, there may be less publicly available information about a foreign company than about a domestic company. Foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic companies. With respect to certain foreign countries, there is a possibility of expropriation or confiscatory taxation, or diplomatic developments, which could affect investments in those countries. These risks are more pronounced in emerging market countries.

In June 2016, the UK voted to leave the EU following the Brexit referendum. It is expected that the UK will exit the EU within two years; however, the exact timeframe for the UK's exit is unknown. There is significant market uncertainty regarding Brexit's ramifications, and the range of possible political, regulatory, economic, and market outcomes are difficult to predict. The negative impact could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Geopolitical events, including those in Ukraine and the Middle East, may cause market disruptions. It is possible that these or other geopolitical events could have an adverse effect on the value of the Funds' investments.

Emerging Market Risks (International Growth Fund and Global Growth Fund only)

Investments in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Emerging market economies can be subject to greater social, economic, regulatory, and political uncertainties. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

Region, Country, Sector Risks (International Growth Fund and Global Growth Fund only)

Each Fund may invest a higher percentage of its total assets in a particular country, region or sector of international markets. In such a case, changes affecting that particular country, region or sector may have a significant impact on a Fund's overall portfolio.

Valuation Risks (International Growth Fund and Global Growth Fund only)

The securities held by the Funds are generally priced using prices provided by primary or alternative pricing services or the valuation committee of the Advisor using fair valuation methodologies. The prices provided by the primary pricing service, alternative pricing services or the fair value determinations made by the valuation committee of the Advisor may be different from the prices used by other mutual funds or from the prices at which securities are actually bought and sold. The prices of certain securities provided by pricing services, or the fair values determined by the valuation committee, may be subject to frequent and significant change, and will vary depending on the information that is available.

Recent Events Risks

At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of a new President of the United States and the first year since 2010 in which both Houses of Congress and the White House have majority memberships from the same political party. In recent years, however, both the new President and senior members of the House of Representatives have advocated for significant reduction of financial services regulation, which include amendments to the Dodd-Frank Act, as well as tax reformation. The new administration and Congress also may cause broader economic changes due to changes in governing ideology and governing style. Additionally, rising federal funds rates may increase the potential for market volatility. There is uncertainty regarding how the financial markets will react to these potential changes and, as a result, market problems may have adverse effects on the Funds. The Adviser will monitor developments and seek to manage the Funds in a manner consistent with achieving the Funds' investment objectives, but there can be no assurance that it will be successful in doing so.

The Funds cannot guarantee that they will achieve their respective investment objectives.

Portfolio Holdings Disclosure Policy

A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the Statement of Additional Information ("SAI") and on the Company's website at www.bairdfunds.com.

Note Regarding Percentage Limitations

Whenever an investment objective, policy or strategy of the Funds set forth in this Prospectus or the Funds' SAI states a maximum (or minimum) percentage of a Fund's assets that may be invested in any type of security or asset class, the percentage is determined immediately after the Fund's acquisition of that investment, except with respect to percentage limitations on temporary borrowing and illiquid investments. Accordingly, any later increase or decrease resulting from a change in the market value of a security or in a Fund's assets (*e.g.*, due to net sales or redemptions of Fund shares) will not cause the Fund to violate a percentage limitation. As a result, due to market fluctuations, cash inflows or outflows or other factors, the Funds may exceed such percentage limitations from time to time.

Who May Want to Invest in the Funds

The Funds may be appropriate for investors who:

- Wish to invest for the long-term;
- Want to realize capital appreciation on investments in equity securities;
- Are looking for an equity component to their portfolio;
- Are willing to assume the risk of investing in equity securities; and
- Have long-term goals such as planning for retirement.

The Funds are not appropriate for investors who have short-term financial goals.

Before investing in a Fund, you should carefully consider:

- Your investment goals;
- The amount of time you are willing to leave your money invested; and
- The amount of risk you are willing to take.

Management of the Funds

The Advisor

Robert W. Baird & Co. Incorporated (the “Advisor”), subject to the general supervision of the Company’s Board of Directors (the “Board”), serves as the Company’s investment advisor and administers the Company’s business affairs. The Advisor is responsible for the day-to-day management, including making investment decisions and buying and selling securities, of the MidCap Fund, Small/Mid Cap Value Fund, SmallCap Value Fund, International Growth Fund and Global Growth Fund in accordance with each Fund’s investment objective and policies and supervising the management of the LargeCap Fund’s portfolio by the Subadvisor. Pursuant to an Investment Advisory Agreement between the Company and the Advisor, for its services, the Advisor receives an annual fee of 0.65%, 0.75%, 0.80%, 0.85%, 0.80% and 0.80% of the average daily net assets of the LargeCap Fund, MidCap Fund, Small/Mid Cap Value Fund, SmallCap Value Fund, International Growth Fund and Global Growth Fund, respectively. The advisory fee is accrued daily and paid monthly.

The Advisor has contractually agreed to waive its fees and/or reimburse each Fund’s total annual fund operating expenses at least through April 30, 2018 to the extent necessary to ensure that the total operating expenses, including interest expense and the fees and expenses incurred by a Fund in connection with the Fund’s investments in other investment companies and excluding taxes, brokerage commissions and extraordinary expenses, do not exceed an annual rate of:

- 1.00% of the Investor Class's average daily net assets and 0.75% of the Institutional Class's average daily net assets for the LargeCap Fund;
- 1.10% of the Investor Class's average daily net assets and 0.85% of the Institutional Class's average daily net assets for the MidCap Fund;
- 1.20% of the Investor Class's average daily net assets and 0.95% of the Institutional Class's average daily net assets for the Small/Mid Cap Value Fund;
- 1.25% of the Investor Class's average daily net assets and 1.00% of the Institutional Class's average daily net assets for the SmallCap Value Fund;
- 1.20% of the Investor Class's average daily net assets and 0.95% of the Institutional Class's average daily net assets for the International Growth Fund; and
- 1.20% of the Investor Class's average daily net assets and 0.95% of the Institutional Class's average daily net assets for the Global Growth Fund.

The Advisor can recapture any expenses or fees of the Funds it has waived or reimbursed within a three-year period if the expense ratios in those future years are less than the limits specified above and less than the limits in effect at that future time.

Any waivers or reimbursements have the effect of lowering the overall expense ratio for the applicable Fund and increasing the overall return to investors at the time any such amounts are waived and/or reimbursed.

After expense waivers, the advisory fee paid to the Advisor for the fiscal year ended December 31, 2016 was equal to 0.27% of the LargeCap Fund's average daily net assets, 0.75% of the MidCap Fund's average daily net assets, 0.00% of the Small/Mid Cap Value Fund's average daily net assets and 0.42% of the SmallCap Value Fund's average daily net assets. After expense waivers, the advisory fee paid to the Advisor for the period from April 15, 2016 through December 31, 2016 was equal to 0.00% of the International Growth Fund's average daily net assets and 0.00% of the Global Growth Fund's average daily net assets.

Discussions regarding the basis for the Board's approval of the investment advisory agreements with respect to the LargeCap, MidCap, Small/Mid Cap Value and SmallCap Value Funds are available in the Funds' 2016 annual report. Discussions regarding the basis for the Board's approval of the investment advisory agreements with respect to the International Growth and Global Growth Funds are available in the Funds' semi-annual report for the period ended June 30, 2016.

The Advisor was founded in 1919 and has its main office at 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. The Advisor provides investment management services for individuals and institutional clients including pension and profit sharing plans. As of December 31, 2016, the Advisor had approximately \$77 billion in assets under discretionary management.

The Subadvisor

The Advisor has entered into a sub-advisory agreement with L2 Asset Management, LLC pursuant to which the Subadvisor manages the LargeCap Fund's portfolio. Subject to the Advisor's supervision, the Subadvisor is responsible for the day-to-day management of the LargeCap Fund in accordance with the LargeCap Fund's investment objective and policies. The Subadvisor provides continuous advice and recommendations concerning the LargeCap Fund's investments and is responsible for selecting the broker-dealers who execute the portfolio transactions.

Under the sub-advisory agreement, the Subadvisor receives compensation from the Advisor for its services to the LargeCap Fund based on a percentage of the net advisory fee received by the Advisor.

The Subadvisor is located at 225 Franklin Street, 26th Floor, Boston, MA 02110. The Subadvisor is an investment advisor founded in 2014 that provides investment advisory services to the Fund and private funds. As of December 31, 2016, the Subadvisor had approximately \$100 million in assets under discretionary management.

A discussion regarding the basis for the Board's approval of the sub-advisory agreement is available in the Funds' semi-annual report for the period ended June 30, 2016.

Portfolio Managers

LargeCap Fund

Matthew Malgari

Mr. Malgari is a co-portfolio manager of the LargeCap Fund. Mr. Malgari is the Chief Executive Officer and a Managing Member of the Subadvisor, having co-founded the Subadvisor in 2014. Mr. Malgari was a Senior Portfolio Manager for Baird Kailash Group, LLC from October 2013 to April 2016 and is a Managing Member of Kailash Capital, LLC. From June of 2010 through June of 2013, Mr. Malgari was Managing Director of Equity Research for Knight Capital where he provided institutional equity clients with small- and mid-cap models based on his quantitative and fundamental research. From February 2007 to May 2010, Mr. Malgari was Assistant Fund Manager for the Fidelity Diversified International Fund. From January 2004 through January 2007, Mr. Malgari was an analyst at Fidelity covering international equities in several industries. Mr. Malgari was also an international equity trader at Fidelity from 1997 to 2003. Mr. Malgari received his B.A. from Middlebury College and his M.B.A. from the Johnson Graduate School of Management at Cornell University.

Sanjeev Bhojraj, Ph.D.

Dr. Bhojraj is a co-portfolio manager of the LargeCap Fund. Dr. Bhojraj is the Chief Investment Officer and a Managing Member of the Subadvisor, having co-founded the Subadvisor in 2014. Dr. Bhojraj has been a Professor at the Johnson Graduate School of Management at Cornell University since 1999 and is currently on leave. Dr. Bhojraj previously served as Designated Manager for the Cayuga MBA Fund from 2005 to 2013. Dr. Bhojraj received his B.Com from the University of Madras (India) and his Ph.D. from the University of Florida.

MidCap Fund

Kenneth M. Hemauer, CFA

Mr. Hemauer co-manages the MidCap Fund. He is a Managing Director of the Advisor and Director of Research for Baird Equity Asset Management. He joined Baird Equity Asset Management in 2001, after spending seven years as a Senior Analyst in the Equity Research Department of the Advisor. He received both a B.B.A. degree and an M.S. degree in Finance from the University of Wisconsin-Madison. He earned the Chartered Financial Analyst designation in 1995.

Charles F. Severson, CFA

Mr. Severson co-manages the MidCap Fund. He is a Managing Director of the Advisor and a Senior Portfolio Manager for Baird Equity Asset Management. He joined the Advisor in 1987 as an Institutional Salesman. In 1991, Mr. Severson joined Baird Equity Asset Management as a Portfolio Manager. He has a B.B.A. degree in Accounting and Finance and an M.S. degree in Finance from the University of Wisconsin-Madison. He earned the Chartered Financial Analyst designation in 1990.

Small/Mid Cap Value Fund and SmallCap Value Fund

Michelle E. Stevens, CFA

Ms. Stevens is the portfolio manager for the Small/Mid Cap Value Fund and the SmallCap Value Fund and has managed each Fund since its inception. Ms. Stevens joined the Advisor in December 2011 as a Managing Director and is a Senior Portfolio Manager for Baird Equity Asset Management. From October 2008 to December 2011, Ms. Stevens was Principal and the Chief Investment Officer of Riazzi Asset Management. From June 2001 through September 2008, she was Principal, Portfolio Manager and Value Equity Chief Investment Officer at Transamerica Investment Management, LLC.

International Growth Fund and Global Growth Fund

Brian Beitner, CFA

Brian Beitner, CFA, serves as the portfolio manager of the International Growth and Global Growth Funds. Mr. Beitner is a Managing Director of the Advisor and Managing Partner of the Advisor's Chautauqua Capital Management division. Although Mr. Beitner has sole responsibility for making investment decisions for the International Growth and Global Growth Funds, he is supported by a staff of portfolio managers, research analysts, traders and other investment professionals. Mr. Beitner has over 34 years of investment management experience. Mr. Beitner joined the Advisor in January 2016. Prior to joining the Adviser, Mr. Beitner served as Managing Partner and Chief Investment Officer of Chautauqua Capital Management, LLC, an asset management firm founded by Mr. Beitner in 2009. From November 1998 to December 2008 he was a Portfolio Manager at Trust Company of the West. Mr. Beitner received his undergraduate degree and his MBA from the University of Southern California.

The Funds' SAI provides additional information about the portfolio managers, including other accounts managed, ownership of Fund shares and compensation.

Historical Performance Information for Similar Accounts

Small/Mid Value Composite

The following table sets forth the historical composite performance data for all advisory accounts that have investment objectives, policies, strategies and risks substantially similar to those of the Small/Mid Cap Value Fund (the “Composite”). The Composite accounts were managed solely by the Portfolio Management Team, which included Michelle E. Stevens, the portfolio manager of the Small/Mid Cap Value Fund, while she was employed by the Advisor (December 2011 to present), Riazzi Asset Management (October 2008 to December 2011), Transamerica Investment Management, LLC (June 2001 through September 2008), and C.H. Dean & Associates (March 1999 to May 2001). The remaining members of the Portfolio Management Team were analysts who supported Ms. Stevens. The Composite includes all fully discretionary commission accounts that are fully invested in the small-to-mid cap value investment strategy including those accounts no longer managed by the portfolio manager. The minimum account size for the composite is \$100,000. As of March 31, 2017, the Composite consisted of 17 accounts.

PERFORMANCE OF THE COMPOSITE IS HISTORICAL AND DOES NOT REPRESENT THE FUTURE PERFORMANCE OF THE SMALL/MID CAP VALUE FUND OR THE ADVISOR.

All returns presented were calculated on a total return basis and include all dividends and interest, accrued income, and realized and unrealized gains and losses and are net of transaction costs. Composite performance reflects the deduction of all fees and expenses and any transaction costs. For periods prior to December 31, 2011, Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. The Composite’s performance would have been lower than that shown if the accounts included in the Composite had been subject to the Investor Class shares’ net annual operating expenses. The investment management fee schedule for the Composite is 0.95% on the first \$20 million and 0.75% on the remainder. Actual investment advisory fees may vary. Further information on the fees can be found in Part 2A of the Advisor’s Form ADV. Beginning January 1, 2012, net of fee performance is presented calculated using actual management fees. Prior to December 31, 2011, net of fee performance was calculated using the highest fee. Securities transactions are accounted for on the trade date and accrual accounting is utilized. Cash and cash equivalents are included in performance returns. The Composite’s returns are calculated on a time-weighted basis. The Composite is not subject to the diversification requirements, tax restrictions or investment limitations imposed on the Small/Mid Cap Value Fund by the Investment Company Act of 1940, as amended (the “1940 Act”), or Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). Consequently, the performance results of the Composite could have been adversely affected if it had been regulated under the federal securities and tax laws. The standards used to calculate total return as presented in the following table differ from the standards required by the SEC for calculation of average annual total return.

**Composite
Average Annual Total Returns**

Periods Ended 12/31/16	Composite Net	Russell 2500® Value Index⁽¹⁾
1 Year	9.2%	25.2%
3 Year	5.7%	8.2%
5 Year	13.3%	15.0%
10 Year	7.5%	6.9%

**Composite
Calendar Year Total Returns**

Period Ended 12/31	Composite Net	Russell 2500® Value Index⁽¹⁾
2016	9.17%	25.20%
2015	-0.55%	-5.49%
2014	8.7%	7.1%
2013	35.9%	33.3%
2012	16.4%	19.2%
2011*	5.1%	-3.4%
2010*	9.3%	24.9%
2009*	28.2%	27.7%
2008*	-39.3%	-32.0%
2007*	23.1%	-7.3%
2006*	16.1%	20.2%
2005*	12.4%	7.7%
2004*	24.6%	21.6%
2003*	33.3%	44.9%
2002*	-9.7%	-9.9%
2001*	10.6%	9.7%
2000*	27.1%	20.8%

(1) The Russell 2500® Value Index measures the performance of the small- to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. The Index reflects no deduction for fees, expenses or taxes.

(*) Performance presented prior to December 31, 2011 occurred while the Portfolio Management Team was affiliated with prior firms and the Portfolio Management Team were the only individuals responsible for selecting the securities to buy and sell.

For a complete list and description of the Advisor's composites, additional information regarding policies for valuing portfolios and calculating performance, contact the Advisor at 777 East Wisconsin Avenue, Milwaukee, WI 53202 or call 1-800-792-4011.

Chautauqua International Composite

The following table sets forth the historical composite performance data for all advisory accounts that have investment objectives, policies, strategies and risks substantially similar to those of the International Growth Fund (the “International Composite”). The International Composite accounts were managed solely by Brian Beitner, the International Growth Fund’s portfolio manager, while he was employed by the Advisor (January 15, 2016 to present), Chautauqua Capital Management, LLC (“CCM”) (January 1, 2009 to January 15, 2016) and the TCW Group, from the International Composite’s inception on January 1, 2006 to December 31, 2008. The performance of the International Composite for the period January 1, 2006 (inception) to December 31, 2008 reflects performance of a seed portfolio that was managed by Brian Beitner while at the TCW Group. Thereafter, Mr. Beitner transferred the assets of the seed portfolio to a separate account and established CCM. During the entire time, Mr. Beitner has been the sole decision maker for the account. From January 2006 to November 2006, the International Composite was a carve out of a TCW Global fund where cash was allocated proportionately based up on the net asset value of each strategy at the time. The International Composite includes all fully discretionary accounts that are fully invested in the international growth equity strategy. The minimum account size for the composite is \$500,000. As of December 31, 2016, the International Composite consisted of five accounts.

Performance of the International Composite is historical and does not represent the future performance of the International Growth Fund or the Advisor.

All returns presented were calculated on a total return basis and include all dividends and interest, accrued income, and realized and unrealized gains and losses and are net of applicable foreign withholding taxes, investment advisory fees and expenses and gross of custodian fees. This methodology differs from the guidelines of the SEC for calculating performance of mutual funds. The International Composite’s performance would have been lower than that shown if the accounts included in the International Composite had been subject to the net annual operating expenses of the International Growth Fund’s Investor Class shares. The investment advisory fee schedule for the International Composite is as follows. Separate Accounts: 1.00% on the first \$25 million; 0.65% thereafter. Commingled Fund Accounts: 0.80% on the first \$25 million; 0.65% thereafter. Actual investment advisory fees may vary. Further information on the fees can be found in Part 2A of the Advisor’s Form ADV. Net of fee performance is presented calculated using actual investment advisory fees. The International Composite contained 100% non-fee payment accounts from inception through May 31, 2011.

Securities transactions are accounted for on the trade date and accrual accounting is utilized. Cash and cash equivalents are included in performance returns. The International Composite’s returns are calculated on a time-weighted basis. The International Composite is not subject to the diversification requirements, tax restrictions or investment limitations imposed on the International Growth Fund by the 1940 Act or Subchapter M of the Code. Consequently, the performance results of the

International Composite could have been adversely affected if it had been regulated under the federal securities and tax laws.

**International Composite
Average Annual Total Returns**

<u>Periods Ended</u> <u>12/31/16</u>	<u>Composite Net</u>	<u>MSCI ACWI ex USA Index (ND)⁽¹⁾</u>
1 Year	0.52%	13.13%
3 Year	1.26%	0.56%
5 Year	5.78%	4.36%
10 Year	4.06%	1.35%
Since inception (1/1/06)	6.22%	3.53%

**International Composite
Calendar Year Total Returns**

<u>Period Ended</u> <u>12/31</u>	<u>Composite Net</u>	<u>MSCI ACWI ex USA Index (ND)⁽¹⁾</u>
2016	1.51%	4.50%
2015*	4.65%	-5.66%
2014*	-0.28%	-3.87%
2013*	14.03%	15.29%
2012*	11.89%	16.83%
2011*	-10.07%	-13.71%
2010*	18.52%	11.15%
2009*	63.38%	41.45%
2008*	-50.03%	-45.53%
2007*	29.21%	16.65%
2006*	30.39%	26.65%

(1) MSCI All Country World ex USA Index (ACWI ex USA) (ND) is a free-float adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (excluding the United States) and emerging markets. It captures more than 1,800 securities with large- and mid-cap capitalizations across 22 of 23 developed markets countries (excluding the United States) and 23 emerging markets countries. The Index reflects no deduction for fees, expenses or taxes. MSCI, Inc. publishes two versions of this Index reflecting the reinvestment of dividends using two different methodologies: gross dividends and net dividends. While both versions reflect reinvested dividends, they differ with respect to the manner in which taxes associated with dividend payments are treated. In calculating the net dividends (ND) version, MSCI incorporates reinvested dividends applying the withholding tax rate applicable to foreign non-resident institutional investors that do not benefit from double taxation treaties. The Advisor believes that the net dividends version better reflects the returns U.S. investors might expect were they to invest directly in the component securities of the Index.

(*) Performance presented prior to January 15, 2016 occurred while Mr. Beitner was affiliated with prior firms. For the periods presented, Mr. Beitner had sole responsibility for managing the accounts included in the composite.

Chautauqua Global Composite

The following table sets forth the historical composite performance data for all advisory accounts that have investment objectives, policies, strategies and risks substantially similar to those of the Global Growth Fund (the “Global Composite”). The Global Composite accounts were managed solely by Brian Beitner, the Global Growth Fund’s portfolio manager, while he was employed by the Advisor (January 15, 2016 to present), Chautauqua Capital Management, LLC (“CCM”) (January 1, 2009 to January 15, 2016) and the TCW Group, from the Global Composite’s inception on January 1, 2007 to December 31, 2008. The performance of the Global Composite for the period from January 1, 2007 (inception) to December 31, 2008 reflects the performance of a seed portfolio that was managed by Brian Beitner while at the TCW Group. Thereafter, Mr. Beitner transferred the assets of the seed portfolio to a separate account and established CCM. During the entire time Mr. Beitner was the sole decision-maker for the account. The Global Composite includes all fully discretionary accounts that are fully invested in the global growth equity strategy. The minimum account size for the composite is \$500,000. As of December 31, 2016, the Global Composite consisted of two accounts.

Performance of the Global Composite is historical and does not represent the future performance of the Global Growth Fund or the Advisor.

All returns presented were calculated on a total return basis and include all dividends and interest, accrued income, and realized and unrealized gains and losses and are net of applicable foreign withholding taxes, investment advisory fees and expenses and gross of custodian fees. This methodology differs from the guidelines of the SEC for calculating performance of mutual funds. The Global Composite’s performance would have been lower than that shown if the accounts included in the Global Composite had been subject to the net annual operating expenses of the Global Growth Fund’s Investor Class shares. The investment advisory fee schedule for the Global Composite is as follows. Separate Accounts: 1.00% on the first \$25 million; 0.65% thereafter. Commingled Fund Accounts: 0.80% on the first \$25 million; 0.65% thereafter. Actual investment advisory fees may vary. Further information on the fees can be found in Part 2A of the Advisor’s Form ADV. Net of fee performance is presented calculated using actual investment advisory fees. The Global Composite contained 100% non-fee paying accounts from inception through June 30, 2011.

Securities transactions are accounted for on the trade date and accrual accounting is utilized. Cash and cash equivalents are included in performance returns. The Global Composite is not subject to the diversification requirements, tax restrictions or investment limitations imposed on the Fund by the 1940 Act or Subchapter M of the Code. Consequently, the performance results of the Global Composite could have been adversely affected if it had been regulated under the federal securities and tax laws.

**Global Composite
Average Annual Total Returns**

Periods Ended	Composite Net	MSCI ACWI Index (ND)⁽¹⁾
<u>12/31/16</u>		
1 Year	1.67%	7.86%
3 Year	6.08%	3.13%
5 Year	10.27%	9.36%
Since inception (1/1/07)	7.00%	3.56%

**Global Composite
Calendar Year Total Returns**

Period Ended	Composite Net	MSCI ACWI Index (ND)⁽¹⁾
<u>12/31</u>		
2016	1.67%	7.86%
2015*	9.05%	-2.36%
2014*	7.67%	4.16%
2013*	18.83%	22.80%
2012*	14.92%	16.13%
2011*	-8.86%	-7.35%
2010*	22.62%	12.67%
2009*	70.26%	34.63%
2008*	-49.38%	-42.19%
2007*	25.32%	11.66%

-
- (1) The MSCI All Country World Index (ACWI) (ND) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. It captures more than 2,400 securities with large- and mid-cap capitalizations across 23 developed markets countries and 23 emerging markets countries. The Index reflects no deduction for fees, expenses or taxes. MSCI, Inc. publishes two versions of this Index reflecting the reinvestment of dividends using two different methodologies: gross dividends and net dividends. While both versions reflect reinvested dividends, they differ with respect to the manner in which taxes associated with dividend payments are treated. In calculating the net dividends (ND) version, MSCI incorporates reinvested dividends applying the withholding tax rate applicable to foreign non-resident institutional investors that do not benefit from double taxation treaties. The Advisor believes that the net dividends version better reflects the returns U.S. investors might expect were they to invest directly in the component securities of the Index.
- (*) Performance presented prior to January 15, 2016 occurred while Mr. Beitner was affiliated with prior firms. For the periods presented, Mr. Beitner had sole responsibility for managing the accounts included in the composite.

Financial Highlights

The financial highlights tables are intended to help you understand each Fund's financial performance for the past five fiscal years or the life of the Fund, as indicated in the tables below. Certain information reflects financial results for a single Fund share. The total returns presented in the table represent the rate that an investor would have earned or lost on an investment in the Fund for the stated periods (assuming reinvestment of all distributions). This information has been audited by Grant Thornton LLP, whose report, along with each Fund's financial statements, is included in the Funds' annual report, which is available upon request.

Baird LargeCap Fund – Institutional Class

	Year Ended December 31,				
	2016 ⁽¹⁾	2015	2014	2013 ⁽¹⁾	2012
Per Share Data:					
Net asset value, beginning of year	\$ 8.01	\$ 8.93	\$ 7.92	\$ 9.86	\$ 8.71
Income from investment operations:					
Net investment income ⁽²⁾	0.12	0.10	0.09	0.03	0.04
Net realized and unrealized gains (losses) on investments	0.92	(0.45)	1.10	3.16	1.15
Total from investment operations	1.04	(0.35)	1.19	3.19	1.19
Less distributions:					
Distributions from net investment income	(0.13)	(0.11)	(0.08)	(0.04)	(0.04)
Distributions from net realized gains	—	(0.46)	(0.10)	(5.09)	—
Total distributions	(0.13)	(0.57)	(0.18)	(5.13)	(0.04)
Net asset value, end of year	<u>\$ 8.92</u>	<u>\$ 8.01</u>	<u>\$ 8.93</u>	<u>\$ 7.92</u>	<u>\$ 9.86</u>
Total return	12.94%	(3.94)%	15.09%	32.68%	13.62%
Supplemental data and ratios:					
Net assets, end of year (millions)	\$38.8	\$35.6	\$39.0	\$28.0	\$24.0
Ratio of expenses to average net assets	0.75%	0.75%	0.75%	0.75%	0.75%
Ratio of expenses to average net assets (before waivers)	1.13%	1.11%	1.17%	1.24%	1.34%
Ratio of net investment income to average net assets	1.51%	1.18%	1.08%	0.28%	0.37%
Ratio of net investment income (loss) to average net assets (before waivers)	1.13%	0.82%	0.66%	(0.21)%	(0.22)%
Portfolio turnover rate ⁽³⁾	85.0%	86.5%	88.2%	127.7%	39.2%

- (1) Effective April 30, 2016, L2 Asset Management, LLC ("L2") became the Fund's subadvisor. L2 replaced Baird Kailash Group, LLC, which was the Fund's subadvisor from December 23, 2013 until April 30, 2016. The Fund was managed by the Fund's Advisor from the Fund's inception date until December 23, 2013.
- (2) Calculated using average shares outstanding during the year.
- (3) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued. The Baird LargeCap Fund's portfolio turnover rate in 2013 was higher than previous years primarily due to the implementation of a new investment strategy for the Fund by Baird Kailash Group, LLC, the Fund's then-existing subadvisor.

Baird LargeCap Fund – Investor Class

	Year Ended December 31,				
	2016 ⁽¹⁾	2015	2014	2013 ⁽¹⁾	2012
Per Share Data:					
Net asset value, beginning of year	<u>\$ 7.97</u>	<u>\$ 8.87</u>	<u>\$ 7.87</u>	<u>\$ 9.82</u>	<u>\$ 8.68</u>
Income from investment operations:					
Net investment income ⁽²⁾	0.10	0.08	0.05	0.00 ⁽³⁾	0.01
Net realized and unrealized gains (losses) on investments	<u>0.91</u>	<u>(0.45)</u>	<u>1.12</u>	<u>3.14</u>	<u>1.15</u>
Total from investment operations	<u>1.01</u>	<u>(0.37)</u>	<u>1.17</u>	<u>3.14</u>	<u>1.16</u>
Less distributions:					
Distributions from net investment income	(0.07)	(0.07)	(0.07)	—	(0.02)
Distributions from net realized gains	<u>—</u>	<u>(0.46)</u>	<u>(0.10)</u>	<u>(5.09)</u>	<u>—</u>
Total distributions	<u>(0.07)</u>	<u>(0.53)</u>	<u>(0.17)</u>	<u>(5.09)</u>	<u>(0.02)</u>
Net asset value, end of year	<u>\$ 8.91</u>	<u>\$ 7.97</u>	<u>\$ 8.87</u>	<u>\$ 7.87</u>	<u>\$ 9.82</u>
Total return	12.67%	(4.18)%	14.89%	32.34%	13.32%
Supplemental data and ratios:					
Net assets, end of year (millions)	\$0.7	\$0.6	\$1.2	\$0.2	\$0.4
Ratio of expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of expenses to average net assets (before waivers)	1.38%	1.36%	1.42%	1.49%	1.59%
Ratio of net investment income to average net assets	1.26%	0.93%	0.83%	0.03%	0.12%
Ratio of net investment income (loss) to average net assets (before waivers)	0.88%	0.57%	0.41%	(0.46)%	(0.47)%
Portfolio turnover rate ⁽⁴⁾	85.0%	86.5%	88.2%	127.7%	39.2%

(1) Effective April 30, 2016, L2 Asset Management, LLC (“L2”) became the Fund’s subadvisor. L2 replaced Baird Kailash Group, LLC, which was the Fund’s subadvisor from December 23, 2013 until April 30, 2016. The Fund was managed by the Fund’s Advisor from the Fund’s inception date until December 23, 2013.

(2) Calculated using average shares outstanding during the year.

(3) Amount is less than \$0.005.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued. The Baird LargeCap Fund’s portfolio turnover rate in 2013 was higher than previous years primarily due to the implementation of a new investment strategy for the Fund by Baird Kailash Group, LLC, the Fund’s then-existing subadvisor.

Baird MidCap Fund – Institutional Class

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Per Share Data:					
Net asset value, beginning of year	<u>\$14.99</u>	<u>\$15.57</u>	<u>\$15.00</u>	<u>\$11.52</u>	<u>\$ 9.98</u>
Income from					
investment operations:					
Net investment income (loss)	(0.02) ⁽¹⁾	(0.03) ⁽¹⁾	(0.03) ⁽¹⁾	(0.01)	0.07 ⁽¹⁾
Net realized and unrealized gains (losses) on investments	<u>0.83</u>	<u>(0.53)</u>	<u>0.76</u>	<u>3.80</u>	<u>1.57</u>
Total from investment operations	<u>0.81</u>	<u>(0.56)</u>	<u>0.73</u>	<u>3.79</u>	<u>1.64</u>
Less distributions:					
Distributions from net investment income	—	—	—	—	(0.04)
Distributions from net realized gains	<u>—</u>	<u>(0.02)</u>	<u>(0.16)</u>	<u>(0.31)</u>	<u>(0.06)</u>
Total distributions	<u>—</u>	<u>(0.02)</u>	<u>(0.16)</u>	<u>(0.31)</u>	<u>(0.10)</u>
Net asset value, end of year	<u>\$15.80</u>	<u>\$14.99</u>	<u>\$15.57</u>	<u>\$15.00</u>	<u>\$11.52</u>
Total return	5.40%	(3.59)%	4.85%	32.90%	16.49%
Supplemental data and ratios:					
Net assets, end of year (millions)	\$1,105.1	\$1,035.0	\$910.9	\$286.1	\$137.2
Ratio of expenses to average net assets	0.82%	0.80%	0.85%	0.85%	0.85%
Ratio of expenses to average net assets (before waivers)	0.82%	0.80%	0.87%	0.87%	0.97%
Ratio of net investment income (loss) to average net assets	(0.14)%	(0.18)%	(0.17)%	(0.04)%	0.65%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.14)%	(0.18)%	(0.19)%	(0.06)%	0.53%
Portfolio turnover rate ⁽²⁾	57.2%	52.8%	37.3%	36.3%	29.5%

(1) Calculated using average shares outstanding during the year.

(2) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird MidCap Fund – Investor Class

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Per Share Data:					
Net asset value, beginning of year	<u>\$14.36</u>	<u>\$14.96</u>	<u>\$14.45</u>	<u>\$11.13</u>	<u>\$ 9.66</u>
Income from					
investment operations:					
Net investment income (loss)	(0.06) ⁽¹⁾	(0.06) ⁽¹⁾	(0.06) ⁽¹⁾	(0.03)	0.04 ⁽¹⁾
Net realized and unrealized gains (losses) on investments	<u>0.80</u>	<u>(0.52)</u>	<u>0.73</u>	<u>3.66</u>	<u>1.52</u>
Total from investment operations	<u>0.74</u>	<u>(0.58)</u>	<u>0.67</u>	<u>3.63</u>	<u>1.56</u>
Less distributions:					
Distributions from net investment income	—	—	—	—	(0.03)
Distributions from net realized gains	<u>—</u>	<u>(0.02)</u>	<u>(0.16)</u>	<u>(0.31)</u>	<u>(0.06)</u>
Total distributions	<u>—</u>	<u>(0.02)</u>	<u>(0.16)</u>	<u>(0.31)</u>	<u>(0.09)</u>
Net asset value, end of year	<u>\$15.10</u>	<u>\$14.36</u>	<u>\$14.96</u>	<u>\$14.45</u>	<u>\$11.13</u>
Total return	5.08%	(3.80)%	4.62%	32.62%	16.16%
Supplemental data and ratios:					
Net assets, end of year (millions)	\$137.2	\$184.1	\$205.4	\$143.1	\$84.1
Ratio of expenses to average net assets	1.07%	1.05%	1.10%	1.10%	1.10%
Ratio of expenses to average net assets (before waivers)	1.07%	1.05%	1.12%	1.12%	1.22%
Ratio of net investment income (loss) to average net assets	(0.39)%	(0.43)%	(0.42)%	(0.29)%	0.40%
Ratio of net investment income (loss) to average net assets (before waivers)	(0.39)%	(0.43)%	(0.44)%	(0.31)%	0.28%
Portfolio turnover rate ⁽²⁾	57.2%	52.8%	37.3%	36.3%	29.5%

(1) Calculated using average shares outstanding during the year.

(2) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird Small/Mid Cap Value Fund – Institutional Class

	Year Ended December 31, 2016	November 30, 2015 [^] through December 31, 2015
Per Share Data:		
Net asset value, beginning of period	\$ 9.52	\$10.00
Income from investment operations:		
Net investment income ⁽¹⁾	0.13	0.02
Net realized and unrealized gains (losses) on investments	0.72	(0.49)
Total from investment operations	0.85	(0.47)
Less distributions:		
Distributions from net investment income	(0.08)	(0.01)
Total distributions	(0.08)	(0.01)
Net asset value, end of period	<u>\$10.29</u>	<u>\$ 9.52</u>
Total return	8.91%	(4.66)% ⁽²⁾
Supplemental data and ratios:		
Net assets, end of period (millions)	\$11.9	\$4.7
Ratio of expenses to average net assets	0.95%	0.95% ⁽³⁾
Ratio of expenses to average net assets (before waivers)	2.86%	6.88% ⁽³⁾
Ratio of net investment income to average net assets	1.35%	1.96% ⁽³⁾
Ratio of net investment loss to average net assets (before waivers)	(0.56)%	(3.97)% ⁽³⁾
Portfolio turnover rate ⁽⁴⁾	38.3%	14.7% ⁽²⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird Small/Mid Cap Value Fund – Investor Class

	Year Ended December 31, 2016	November 30, 2015 [^] through December 31, 2015
Per Share Data:		
Net asset value, beginning of period	\$ 9.52	\$10.00
Income from investment operations:		
Net investment income ⁽¹⁾	0.11	0.01
Net realized and unrealized gains (losses) on investments	0.71	(0.48)
Total from investment operations	0.82	(0.47)
Less distributions:		
Distributions from net investment income	(0.06)	(0.01)
Total distributions	(0.06)	(0.01)
Net asset value, end of period	<u>\$10.28</u>	<u>\$ 9.52</u>
Total return	8.64%	(4.67)% ⁽²⁾
Supplemental data and ratios:		
Net assets, end of period (thousands)	\$53.2	\$19.0
Ratio of expenses to average net assets	1.20%	1.20% ⁽³⁾
Ratio of expenses to average net assets (before waivers)	3.11%	7.13% ⁽³⁾
Ratio of net investment income to average net assets	1.10%	1.71% ⁽³⁾
Ratio of net investment loss to average net assets (before waivers)	(0.81)%	(4.22)% ⁽³⁾
Portfolio turnover rate ⁽⁴⁾	38.3%	14.7% ⁽²⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird SmallCap Value Fund – Institutional Class

	Year Ended December 31,				May 1, 2012 [^] through December 31,
	2016	2015	2014	2013	2012
Per Share Data:					
Net asset value, beginning of period	<u>\$13.03</u>	<u>\$13.82</u>	<u>\$14.01</u>	<u>\$10.20</u>	<u>\$10.00</u>
Income from investment operations:					
Net investment income ⁽¹⁾	0.21	0.11	0.05	0.07	0.15
Net realized and unrealized gains (losses) on investments	<u>1.76</u>	<u>(0.82)</u>	<u>0.01</u>	<u>3.99</u>	<u>0.20</u>
Total from investment operations	<u>1.97</u>	<u>(0.71)</u>	<u>0.06</u>	<u>4.06</u>	<u>0.35</u>
Less distributions:					
Distributions from net investment income	(0.17)	(0.08)	(0.05)	(0.05)	(0.12)
Distributions from net realized gains	<u>—</u>	<u>—</u>	<u>(0.20)</u>	<u>(0.20)</u>	<u>(0.03)</u>
Total distributions	<u>(0.17)</u>	<u>(0.08)</u>	<u>(0.25)</u>	<u>(0.25)</u>	<u>(0.15)</u>
Net asset value, end of period	<u><u>\$14.83</u></u>	<u><u>\$13.03</u></u>	<u><u>\$13.82</u></u>	<u><u>\$14.01</u></u>	<u><u>\$10.20</u></u>
Total return	15.11%	(5.11)%	0.42%	39.85%	3.52% ⁽²⁾
Supplemental data and ratios:					
Net assets, end of period (millions)	\$28.2	\$23.1	\$23.5	\$19.0	\$8.1
Ratio of expenses to average net assets	1.00%	1.00%	1.00%	1.00%	1.00% ⁽³⁾
Ratio of expenses to average net assets (before waivers)	1.43%	1.51%	1.55%	2.02%	3.06% ⁽³⁾
Ratio of net investment income to average net assets	1.58%	0.79%	0.36%	0.71%	2.32% ⁽³⁾
Ratio of net investment income (loss) to average net assets (before waivers)	1.15%	0.28%	(0.19)%	(0.31)%	0.26% ⁽³⁾
Portfolio turnover rate ⁽⁴⁾	48.9%	42.1%	41.9%	36.9%	24.6% ⁽²⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Baird SmallCap Value Fund – Investor Class

	Year Ended December 31,				May 1, 2012 [^] through December 31,
	2016	2015	2014	2013	2012
Per Share Data:					
Net asset value, beginning of period	<u>\$12.99</u>	<u>\$13.78</u>	<u>\$13.98</u>	<u>\$10.19</u>	<u>\$10.00</u>
Income from investment operations:					
Net investment income ⁽¹⁾	0.18	0.07	0.02	0.04	0.14
Net realized and unrealized gains (losses) on investments	<u>1.75</u>	<u>(0.81)</u>	<u>0.00⁽²⁾</u>	<u>3.99</u>	<u>0.19</u>
Total from investment operations	<u>1.93</u>	<u>(0.74)</u>	<u>0.02</u>	<u>4.03</u>	<u>0.33</u>
Less distributions:					
Distributions from net investment income	(0.11)	(0.05)	(0.02)	(0.04)	(0.11)
Distributions from net realized gains	<u>—</u>	<u>—</u>	<u>(0.20)</u>	<u>(0.20)</u>	<u>(0.03)</u>
Total distributions	<u>(0.11)</u>	<u>(0.05)</u>	<u>(0.22)</u>	<u>(0.24)</u>	<u>(0.14)</u>
Net asset value, end of period	<u>\$14.81</u>	<u>\$12.99</u>	<u>\$13.78</u>	<u>\$13.98</u>	<u>\$10.19</u>
Total return	14.84%	(5.37)%	0.13%	39.58%	3.32% ⁽³⁾
Supplemental data and ratios:					
Net assets, end of period (millions)	\$2.6	\$2.0	\$2.1	\$1.1	\$0.2
Ratio of expenses to average net assets	1.25%	1.25%	1.25%	1.25%	1.25% ⁽⁴⁾
Ratio of expenses to average net assets (before waivers)	1.68%	1.76%	1.80%	2.27%	3.31% ⁽⁴⁾
Ratio of net investment income to average net assets	1.33%	0.54%	0.11%	0.46%	2.07% ⁽⁴⁾
Ratio of net investment income (loss) to average net assets (before waivers)	0.90%	0.03%	(0.44)%	(0.56)%	0.01% ⁽⁴⁾
Portfolio turnover rate ⁽⁵⁾	48.9%	42.1%	41.9%	36.9%	24.6% ⁽³⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Amount is less than \$0.005.

(3) Not annualized.

(4) Annualized.

(5) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Chautauqua International Growth Fund – Institutional Class

April 15, 2016[^]
through
December 31, 2016

Per Share Data:

Net asset value, beginning of period	<u>\$10.00</u>
Income from investment operations:	
Net investment income	0.00 ⁽¹⁾⁽²⁾
Net realized and unrealized loss on investments	<u>(0.43)</u>
Total from investment operations	<u>(0.43)</u>
Net asset value, end of period	<u><u>\$ 9.57</u></u>
Total return	(4.30)% ⁽³⁾
Supplemental data and ratios:	
Net assets, end of period (millions)	\$14.8
Ratio of expenses to average net assets	0.95% ⁽⁴⁾
Ratio of expenses to average net assets (before waivers)	2.32% ⁽⁴⁾
Ratio of net investment income to average net assets	0.06% ⁽⁴⁾
Ratio of net investment loss to average net assets (before waivers)	(1.31)% ⁽⁴⁾
Portfolio turnover rate	72.6% ⁽³⁾⁽⁵⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Amount is less than \$0.005.

(3) Not annualized.

(4) Annualized.

(5) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Chautauqua International Growth Fund – Investor Class

April 15, 2016[^]
through
December 31, 2016

Per Share Data:

Net asset value, beginning of period	<u>\$10.00</u>
Income from investment operations:	
Net investment loss	(0.01) ⁽¹⁾
Net realized and unrealized loss on investments and foreign currency translations	<u>(0.44)</u>
Total from investment operations	<u>(0.45)</u>
Paid in capital from redemption fees	<u>0.01</u>
Net asset value, end of period	<u><u>\$ 9.56</u></u>
Total return	(4.40)% ⁽²⁾

Supplemental data and ratios:

Net assets, end of period (millions)	\$0.3
Ratio of expenses to average net assets	1.20% ⁽³⁾
Ratio of expenses to average net assets (before waivers)	2.58% ⁽³⁾
Ratio of net investment loss to average net assets	(0.19)% ⁽³⁾
Ratio of net investment loss to average net assets (before waivers)	(1.57)% ⁽³⁾
Portfolio turnover rate	72.6% ⁽²⁾⁽⁴⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Chautauqua Global Growth Fund – Institutional Class

April 15, 2016[^]
through
December 31, 2016

Per Share Data:

Net asset value, beginning of period \$10.00

Income from investment operations:

Net investment loss (0.01)⁽¹⁾

Net realized and unrealized gain on investments 0.10

Total from investment operations 0.09

Net asset value, end of period \$10.09

Total return 0.90%⁽²⁾

Supplemental data and ratios:

Net assets, end of period (millions) \$7.6

Ratio of expenses to average net assets 0.95%⁽³⁾

Ratio of expenses to average net assets (before waivers) 3.65%⁽³⁾

Ratio of net investment loss to average net assets (0.16)%⁽³⁾

Ratio of net investment loss to average net assets (before waivers) (2.86)%⁽³⁾

Portfolio turnover rate 69.4%⁽²⁾⁽⁴⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Chautauqua Global Growth Fund – Investor Class

April 15, 2016[^]
through
December 31, 2016

Per Share Data:

Net asset value, beginning of period \$10.00

Income from investment operations:

Net investment loss (0.03)⁽¹⁾

Net realized and unrealized gain on investments 0.11

Total from investment operations 0.08

Net asset value, end of period \$10.08

Total return 0.80%⁽²⁾

Supplemental data and ratios:

Net assets, end of period (millions) \$0.2

Ratio of expenses to average net assets 1.20%⁽³⁾

Ratio of expenses to average net assets (before waivers) 3.90%⁽³⁾

Ratio of net investment loss to average net assets (0.41)%⁽³⁾

Ratio of net investment loss to average net assets (before waivers) (3.11)%⁽³⁾

Portfolio turnover rate 69.4%⁽²⁾⁽⁴⁾

[^] Inception date.

(1) Calculated using average shares outstanding during the period.

(2) Not annualized.

(3) Annualized.

(4) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing between the classes of shares issued.

Your Account

Distribution of Shares

Distributor

The Advisor, Robert W. Baird & Co. Incorporated, is also the distributor (the “Distributor”) of shares of the Funds, and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

Rule 12b-1 Plan

The Funds have adopted a distribution and shareholder service plan pursuant to Rule 12b-1 under the 1940 Act (the “Rule 12b-1 Plan”). Under the Rule 12b-1 Plan, the Investor Class shares pay the Distributor a fee at an annual rate of 0.25% of their average daily net asset value. The Distributor uses this fee primarily to finance activities that promote the sale of Investor Class shares. Such activities include, but are not necessarily limited to, compensating brokers, dealers, financial intermediaries and sales personnel for distribution and shareholder services, printing and mailing prospectuses to persons other than current shareholders, printing and mailing sales literature, and advertising. Because 12b-1 fees are ongoing, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Referral Program

The Distributor has established a referral program pursuant to which it may pay cash compensation to its sales personnel for sales of Institutional Class shares of the Funds. Compensation paid to participants in this program for sales of Institutional Class shares of the Funds may be more or less than compensation they receive for sales of shares of other investment companies. These payments may influence the Distributor’s sales personnel to recommend the Institutional Class shares of the Funds over another investment. The Distributor will pay compensation under the referral program out of its own resources. Accordingly, the referral program will not affect the price an investor will pay for Institutional Class shares of the Funds. Please see “Fees and Expenses of the Funds” for information about the Funds’ fees and expenses.

Fund Purchases Through a Financial Intermediary

Financial intermediaries, such as banks, fiduciaries, custodians, investment advisers, and broker-dealers, may hold shares of the Funds for their clients through omnibus or networked accounts. The Funds, and/or the Distributor on behalf of the Funds, may retain financial intermediaries, as agents, to provide sub-transfer agency, administrative or related shareholder services to their clients for the Funds. The Distributor or the Funds may pay the financial intermediary for performing such services.

The Distributor may also retain financial intermediaries to provide sales, marketing support, or related services to their clients who beneficially own Fund shares. From time

to time, the Distributor may pay those financial intermediaries for the provision of those services. These payments, sometimes referred to as marketing support or revenue sharing payments, are in addition to or in lieu of any amounts payable to the financial intermediary under the Funds' Rule 12b-1 Plan. Any such payments will be made from the Distributor's own resources. Payments may also be made under the Funds' Rule 12b-1 Plan with respect to distribution and shareholder services provided by financial intermediaries on behalf of Investor Class shares.

The payments made to these financial intermediaries may vary based on a number of factors, including, the types of services provided and amount of their clients' assets invested in the Funds, and, with respect to marketing support payments, the level of sales activity. These payments may influence the financial intermediary to recommend the Funds, or a particular class of Fund shares, over another investment.

Description of Classes

Each Fund offers two classes of shares: Investor Class and Institutional Class. The classes differ with respect to their minimum investments. In addition, expenses of the classes differ. Investor Class shares impose a Rule 12b-1 fee that is assessed against the assets of a Fund attributable to that class. Accordingly, the performance information for the Investor Class shares would be lower than the performance information shown for the Institutional Class shares of each Fund.

Financial institutions may receive 12b-1 fees from the Distributor based upon Investor Class shares owned by their clients or customers. The Distributor will determine the schedule of such fees and the basis upon which such fees will be paid.

Share Price

Shares of each class in a Fund are sold at their net asset value ("NAV"). Shares may be purchased or redeemed on days the New York Stock Exchange (the "NYSE") is open. The NYSE is closed most national holidays and Good Friday.

The NAV for each class of shares of a Fund is determined as of the close of regular trading on the NYSE (normally 3:00 p.m., Central time) Monday through Friday, except on days the NYSE is not open. If the NYSE closes early, the Fund will calculate the NAV at the closing time on that day. If an emergency exists as permitted by the SEC, NAV may be calculated at a different time.

The NAV for a class of shares is determined by adding the value of each Fund's investments, cash and other assets attributable to a particular share class, subtracting the liabilities attributable to that class and then dividing the result by the total number of shares outstanding in the class.

When making a purchase request, make sure your request is in good order. "Good order" means your purchase request includes:

- The name of the Fund;
- The dollar amount of shares to be purchased;
- Purchase application or investment stub; and
- Check payable to Baird Funds or, if paying by wire, receipt of Federal Funds.

Each Fund's investments are valued at market value when market quotations are readily available or otherwise at fair value in accordance with pricing and valuation policies and procedures approved by the Board of Directors. The valuation committee of the Advisor is responsible for fair value determinations, subject to the ultimate supervision of the Board of Directors. In general, the "fair value" of a security means the amount that a Fund might reasonably expect to receive for the security upon its current sale. Pursuant to Accounting Standards Codification 820, "fair value" means "the price that would be received to sell [a security] in an orderly transaction between market participants at the measurement date."

Under the Funds' pricing and valuation policies and procedures, stocks are generally valued according to market value. Most stocks held by the Funds are listed on a U.S. exchange, and their market values are equal to their last quoted sales prices (or, for NASDAQ-listed stocks, the NASDAQ Official Closing Prices). If there were no transactions on a particular trading day, stocks will be valued at the average of their most recent bid and asked prices. Debt securities purchased with a remaining maturity of 60 days or less may be valued at amortized cost or fair value if a market price is not available. Mutual fund shares are valued at their last calculated NAV. When a market quote for a security is not readily available or deemed to be inaccurate by the Advisor, the Advisor will value the security at "fair value". In determining fair value, the Advisor applies valuation methods approved by the Board and takes into account all relevant factors and available information. Consequently, the value of the security used by a Fund to calculate its NAV may differ from a quoted or published price for the same security. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

Each Fund's securities may be listed on foreign exchanges that trade on days when the Fund does not calculate NAV. As a result, the market value of a Fund's investments may change on days when you cannot purchase or sell Fund shares. In addition, a foreign exchange may not value its listed securities at the same time that a Fund calculates its NAV. Most foreign markets close well before the Funds value their securities, generally 3:00 p.m. (Central Time). The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may occur in the interim, which may affect a security's value. If a significant event occurs in a foreign market after the close of the exchange that may affect a security's value, such security may be valued at its fair value pursuant to the procedures discussed above. Each Fund has retained an independent fair value pricing service to assist in valuing foreign securities in order to adjust for possible changes in value that may occur between the close of the foreign exchange and the time at which the Fund calculates its NAV. The fair value pricing service uses statistical data based on historical performance of securities and markets, and other data in developing factors used to estimate fair value for that day.

Buying Shares

Minimum Investments

	<i>Initial Purchase</i>	<i>Subsequent Purchases</i>
Investor Class	\$1,000 – Individual Retirement Accounts (Traditional/Roth/SIMPLE/SEP IRAs) and Coverdell Education Savings Account	\$100
	\$2,500 – All Other Accounts	\$100
Institutional Class	\$25,000 – All Account Types	No minimum

Minimum Investment Reductions – Institutional Class Shares

The minimum initial investment amount for Institutional Class shares is waived for all employees, directors and officers of the Advisor, Subadvisor or the Company and members of their families (including parents, grandparents, siblings, spouses, children and in-laws of such employees, directors and officers). It is also waived for clients of the Advisor who acquire shares of a Fund made available through a mutual fund asset allocation program offered by the Advisor. Also, the minimum initial investment amount for Institutional Class shares may be waived or reduced at the discretion of the Distributor, including waivers or reductions for purchases made through certain registered investment advisers and qualified third-party platforms.

Minimum Investment Reductions – Investor and Institutional Class Shares

The investment minimums noted above are waived for investments in Investor and Institutional Class shares by 401(k) and other employer-sponsored retirement plans (excluding IRAs and other one person retirement plans).

In-Kind Payments

Payment for shares of the Funds may, in the discretion of the Funds, be made in the form of securities that are permissible investments for the Funds as described in the Prospectus. For further information about this form of payment, contact the Funds (toll-free) at 1-866-44BAIRD. In connection with an in-kind securities payment, a Fund will require, among other things, that the securities be valued on the day of purchase in accordance with the pricing methods used by the Fund; that the Fund receives satisfactory assurances that it will have good and marketable title to the securities received by it; that the securities be in proper form for transfer to the Fund; that adequate information be provided to the Fund concerning certain tax matters relating to the securities; and that the amount of the purchase be at least \$1,000,000. You may realize a taxable gain or loss on the contributed securities at the time of the in-kind securities payment.

Timing of Requests

Shares may only be purchased on days when the NYSE is open for business. Your price per share will be the NAV next computed after your request is received in good order by a Fund or its agents. All requests received in good order before the close of regular trading

on the NYSE will be executed at the NAV computed on that day. Requests received after the close of regular trading on the NYSE will receive the next business day's NAV.

Receipt of Orders

The Funds may authorize one or more broker-dealers to accept on their behalf purchase and redemption orders that are in good order. In addition, these broker-dealers may designate other financial intermediaries to accept purchase and redemption orders on a Fund's behalf. Contracts with these agents require the agents to track the time that purchase and redemption orders are received. Purchase and redemption orders must be received by the Funds or their authorized intermediaries before the close of regular trading on the NYSE to receive that day's share price.

Customer Identification Procedures

The Company, on behalf of each Fund, is required to comply with various anti-money laundering laws and regulations. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including mutual funds, to obtain, verify and record information that identifies each person who opens an account.

In compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), please note that U.S. Bancorp Fund Services, LLC, the Company's transfer agent (the "Transfer Agent"), will verify certain information on your account application as part of the Funds' Anti-Money Laundering Program. As requested on the account application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. If you require assistance when completing your application, please call (toll free) 1-866-44BAIRD.

If the Company or the Transfer Agent does not have a reasonable belief of the identity of a shareholder, the initial purchase will be rejected or the shareholder will not be allowed to perform a transaction on the account until such information is received. The Funds also reserve the right to close the account within five business days if clarifying information and/or documentation is not received. The shareholder will be notified of such action within five business days. Any delay in processing your order will affect the purchase price you receive for your shares. The Company, the Distributor and the Transfer Agent are not liable for fluctuations in NAV experienced as a result of such delays in processing. If at any time the Company or the Transfer Agent detects suspicious behavior or if certain account information matches government lists of suspicious persons, the Company or the Transfer Agent may determine not to open an account, may reject additional purchases, may close an existing account, may file a suspicious activity report and/or may take other action.

The Funds may not be sold to investors residing outside the U.S. and its territories, except upon evidence of compliance with the laws of the applicable foreign jurisdictions.

The Company has appointed an anti-money laundering compliance officer to oversee the implementation of the Company's Anti-Money Laundering Program.

Market Timing Policy

Depending on various factors (including the size of the Fund, the amount of assets the Advisor typically maintains in cash or cash equivalents, and the dollar amount, number and frequency of trades), short-term or excessive trading into and out of the Funds, generally known as market timing, may harm all shareholders by: disrupting investment strategies; increasing brokerage, administrative and other expenses; decreasing tax efficiency; diluting the value of shares held by long-term shareholders; and impacting Fund performance. The Board has approved policies that seek to discourage frequent purchases and redemptions and curb the disruptive effects of market timing (the “Market Timing Policy”). Pursuant to the Market Timing Policy, the Funds may decline to accept an application or may reject a purchase request, including an exchange, from a market timer or an investor who, in the Advisor’s sole discretion, has a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Funds. For these purposes, the Advisor may consider an investor’s trading history in the Funds or other Baird Funds. The Funds, the Advisor, the Subadvisor and affiliates thereof are prohibited from entering into arrangements with any shareholder or other person to permit frequent purchases and redemptions of Fund shares.

The Company monitors and enforces its market timing policy through:

- Monitoring of trade activity;
- Restrictions and prohibitions on purchases and/or exchanges by persons believed to engage in frequent trading activity;
- Assessing a 2.00% redemption fee on redemptions and exchanges of International Growth and Global Growth Fund shares held for 90 days or less; and
- Regular reports to the Board by the Funds’ Chief Compliance Officer regarding any instances of suspected market timing and any waivers granted by the officers and Chief Compliance Officer of the Funds of the redemption fee.

In addition, if market timing is detected in an omnibus account held by a financial intermediary, the Funds may request that the intermediary restrict or prohibit further purchases or exchanges of Fund shares by any shareholder that has been identified as having violated the Market Timing Policy. The Funds may also request that the intermediary provide identifying information, such as social security numbers, and trading information about the underlying shareholders in the account in order to review any unusual patterns of trading activity discovered in the omnibus account.

While the Funds seek to take action that will detect and deter market timing, the risks of market timing cannot be completely eliminated. For example, the Funds may not be able to identify or reasonably detect or deter market timing transactions that may be facilitated by financial intermediaries or made difficult to identify through the use of omnibus accounts by those intermediaries that transmit purchase, exchange, or redemption orders to the Funds on behalf of their customers who are the beneficial owners. More specifically, unless the financial intermediaries have the ability to detect and deter market timing transactions themselves, the Funds may not be able to

determine whether the purchase or sale is connected with a market timing transaction. In certain cases, the Company may rely on the market timing policies of financial intermediaries, even if those policies are different from the policy of the Company, when the Advisor believes that the policies are reasonably designed to prevent excessive trading practices that are detrimental to the Funds. Additionally, there can be no assurance that the systems and procedures of the Funds, Advisor or Distributor will be able to monitor all trading activity in a manner that would detect market timing. However, the Funds, the Advisor and the Distributor will attempt to detect and deter market timing in transactions by all Fund investors, whether directly through the Transfer Agent or through financial intermediaries.

Householding

In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders we reasonably believe are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call the Funds toll-free at 1-866-44BAIRD to request individual copies of these documents. Once the Funds receive notice to stop householding, we will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

Methods of Buying

	<i>To Open an Account</i>	<i>To Add to an Account</i>
By Telephone	You may not use the telephone purchase option for your initial purchase of a Fund's shares. However, you may call the Funds (toll-free) at 1-866-44BAIRD to open a new account by requesting an exchange into another Baird Fund. See "Exchanging Shares."	After your account has been open for 15 days, you may call the Funds (toll-free) at 1-866-44BAIRD to place your order for Fund shares. Money will then be moved from your bank account to your Fund account upon request. Only bank accounts held at domestic institutions that are Automated Clearing House ("ACH") members may be used for telephone transactions. The minimum telephone purchase is \$100.

	<i>To Open an Account</i>	<i>To Add to an Account</i>
By Mail	<p>Make your check payable to “Baird Funds.” All checks must be in U.S. dollars drawn on a U.S. financial institution. Forward the check and your application to the address below. To prevent fraud, the Funds will not accept cash, money orders, third party checks, traveler’s checks, credit card checks, starter checks or U.S. Treasury checks for the purchase of shares. If your check is returned for any reason, a \$25 fee will be assessed against your account and you will be responsible for any loss incurred by the Fund(s). The Funds are unable to accept post-dated checks or any conditional order or payment.</p>	<p>Fill out the investment stub from an account statement, or indicate the Fund name and account number on your check. Make your check payable to “Baird Funds.” Forward the check and stub to the address below.</p>
By Federal Funds Wire	<p>Forward your application to Baird Funds at the address below. Call (toll-free) 1-866-44BAIRD to obtain an account number. Wire funds using the instructions to the right.</p>	<p>Notify the Funds of an incoming wire by calling (toll-free) 1-866-44BAIRD. Use the following instructions: U.S. Bank, N.A. 777 E. Wisconsin Ave. Milwaukee, WI 53202 ABA#: 075000022 Credit: U.S. Bancorp Fund Services, LLC Account #: 112-952-137 Further Credit: (name of Fund, share class) (name/title on the account) (account #) Wired funds must be received prior to 3:00 pm Central time to be eligible for same day pricing. The Funds, the Advisor and the Transfer Agent are not responsible for the consequences of delays resulting from the banking or Federal Reserve Wire system, or from incomplete wiring instructions.</p>

	<i>To Open an Account</i>	<i>To Add to an Account</i>
Automatic Investment Plan	Open a Fund account with one of the other methods. If by mail, be sure to include your checking account number on the appropriate section of your application and enclose a voided check or deposit slip with your initial purchase application.	Call the Funds (toll-free) at 1-866-44BAIRD for instructions on how to set up an Automatic Investment Plan if you did not select the option on your original application. Regular automatic investments (minimum of \$100) will be taken from your checking account on a monthly basis. If you do not have sufficient funds in your account or if your account is closed at the time of the automatic transaction, you will be assessed a \$25 fee. Any request to change or terminate your Automatic Investment Plan should be submitted to the Transfer Agent 5 days prior to effective date.
Through Shareholder Service Organizations	To purchase shares for another investor, call the Funds (toll-free) at 1-866-44BAIRD.	To purchase shares for another investor, call the Funds (toll-free) at 1-866-44BAIRD.
By Exchange	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See “Exchanging Shares.”	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See “Exchanging Shares.”

You should use the following addresses when sending documents by mail or by overnight delivery:

By Mail

Baird Funds, Inc.

c/o U.S. Bancorp Fund Services, LLC

P.O. Box 701

Milwaukee, Wisconsin 53201-0701

By Overnight Delivery

Baird Funds, Inc.

c/o U.S. Bancorp Fund Services, LLC

615 E. Michigan Street, Third Floor

Milwaukee, Wisconsin 53202

NOTE: The Funds and the Transfer Agent do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposit in the mail or with such services, or receipt at the Transfer Agent’s post office box, of purchase orders or redemption requests does not constitute receipt by the Transfer Agent.

Selling Shares

Methods of Selling

	<i>To Sell Some or All of Your Shares</i>
By Telephone	Call the Funds (toll-free) at 1-866-44BAIRD to place the order. (Note: for security reasons, requests by telephone will be recorded.) Telephone redemptions involving \$50,000 or more of Investor Class shares are not permitted.

<i>To Sell Some or All of Your Shares</i>	
By Mail	Send a letter to the Funds that indicates the dollar amount or number of shares you wish to redeem. The letter should contain the Fund's name, the account number and the number of shares or the dollar amount of shares to be redeemed. Be sure to have all shareholders sign the letter and, if necessary, have the signature guaranteed. For Individual Retirement Accounts ("IRAs"), requests submitted without an election regarding tax withholding will be subject to tax withholding.
Systematic Withdrawal Plan	The Funds offer shareholders a Systematic Withdrawal Plan. Call the Funds (toll-free) at 1-866-44BAIRD to obtain information on how to arrange for regular monthly or quarterly fixed withdrawal payments. The minimum payment you may receive is \$50 per period. Note that this plan may deplete your investment and affect your income or yield.
Shareholder Service Organization	Consult your account agreement for information on redeeming shares.
By Exchange	Call the Funds (toll-free) at 1-866-44BAIRD to obtain exchange information. See "Exchanging Shares" for further information.

Payment of Redemption Proceeds

You may request redemption of your shares at any time. Shares may be redeemed on days the NYSE is open. The NYSE is closed most national holidays and Good Friday. Your shares will be redeemed at the next NAV per share calculated after your order is received in good order by a Fund or its agents. All requests received in good order before the close of regular trading on the NYSE will be executed at the NAV computed on that day. Requests received after the close of regular trading on the NYSE will receive the next business day's NAV. You may receive the proceeds in one of three ways:

- 1) A check mailed to your account's address. Your proceeds will typically be sent on the business day following the day on which the Fund or its agent receives your request in good order. Checks will not be forwarded by the U.S. Postal Service, so please notify us if your address has changed prior to a redemption request. A redemption request made within 15 days of an address change will require a signature guarantee. Proceeds will be sent to you in this way, unless you request one of the alternatives described below.
- 2) The proceeds transmitted by Electronic Funds Transfer ("EFT") to a properly pre-authorized bank account. The proceeds usually will arrive at your bank two banking days after we process your redemption.
- 3) The proceeds transmitted by wire to a pre-authorized bank account for a \$15 fee. This fee will be deducted from your redemption proceeds for complete redemptions. In the case of a partial redemption, the fee will be deducted from the

When making a redemption request, make sure your request is in good order. "Good order" means your letter of instruction includes:

- The name of the Fund;
- The number of shares or the dollar amount of shares to be redeemed;
- Signatures of all registered shareholders exactly as the shares are registered and, if necessary, with a signature guarantee; and
- The account number.

remaining account balance. The fee is paid to the Transfer Agent to cover costs associated with the transfer. The Advisor reserves the right to waive the wire fee in limited circumstances. The proceeds usually will arrive at your bank the first banking day after we process your redemption. Be sure to have all necessary information from your bank. Your bank may charge a fee to receive wired funds.

Before selling recently purchased shares, please note that if the Transfer Agent has not yet collected payment for the shares you are selling, there may be a delay in sending the proceeds until the payment is collected, which may take up to 12 calendar days from the purchase date. This procedure is intended to protect the Funds and their shareholders from loss.

The Transfer Agent will send redemption proceeds by wire or EFT only to the bank and account designated on the account application or in written instructions (with signatures guaranteed) subsequently received by the Transfer Agent, and only if the bank is a member of the Federal Reserve System. If the dollar or share amount requested to be redeemed is greater than the current value of your account, your entire account balance will be redeemed. If you choose to redeem your account in full, any Automatic Investment Plan currently in effect for the account will be terminated unless you indicate otherwise in writing and any Systematic Withdrawal Plan will be terminated.

Redemption Fee

A redemption fee of 2.00% will be charged on shares of the International Growth Fund and Global Growth Fund redeemed (including in connection with an exchange) 90 days or less from their date of purchase, determined on a first-in, first-out basis. The redemption fee is paid directly to the International Growth and Global Growth Funds and is designed to offset brokerage commissions, market impact and other costs associated with fluctuations in Fund asset levels and cash flow caused by short-term shareholder trading. The redemption fee does not apply to:

- shares acquired through dividends or capital gains or investments;
- shares redeemed because of death or disability;
- shares redeemed through a systematic withdrawal program;
- shares redeemed due to return of excess contributions or in connection with required minimum distributions from retirement accounts; and
- shares redeemed in the event of an involuntary redemption and/or exchange transaction, including, for example, those required by law or regulation, a regulatory agency, a court order, or as a result of the liquidation of the International Growth Fund and Global Growth Fund by the Board of Directors.

In addition, subject to the approval of an officer of the International Growth and Global Growth Funds and the Funds' Chief Compliance Officer, the redemption fee will not apply to:

- certain employer sponsored retirement accounts (including 401k and other types of defined contribution or employee benefit plans);

- omnibus accounts held by financial intermediaries whose systems are unable to assess a redemption fee; and
- shares redeemed through an automatic, non-discretionary rebalancing or asset allocation program.

The International Growth Fund and Global Growth Fund may waive the redemption fee in the case of hardship and in other limited circumstances with respect to certain types of redemptions or exchanges that do not indicate market timing strategies.

Signature Guarantees

The Transfer Agent may require a signature guarantee for certain redemption requests. A signature guarantee ensures that your signature is genuine and protects you from unauthorized account redemptions. A signature guarantee, from either a Medallion program member or a non-Medallion program member, or other acceptable signature verification of each owner is required to redeem shares in the following situations:

- If you are requesting a change in ownership on your account;
- When redemption proceeds are payable or sent to any person, address or bank account not on record;
- If a change of address request has been received by the Transfer Agent within the last 15 calendar days; and
- For all redemptions of Investor Class shares totaling \$50,000 or more from any shareholder account.

In addition to the situations described above, the Funds and/or the Transfer Agent reserve the right to require a signature guarantee or other acceptable signature verification in other instances based on the circumstances relative to the particular situation.

Signature guarantees are designed to protect both you and the Funds from fraud. Signature guarantees can be obtained from most banks, credit unions or saving associations, or from broker-dealers, national securities exchanges, registered securities exchanges or clearing agencies deemed eligible by the SEC. Notaries cannot provide signature guarantees.

Non-financial transactions including establishing or modifying certain services on an account may require signature verification from a Signature Validation Program member, or other acceptable form of authentication from a financial institution.

Corporate, Trust and Other Accounts

Redemption requests from corporate, trust and institutional accounts, and executors, administrators and guardians, require documents in addition to those described above evidencing the authority of the officers, trustees or others. In order to avoid delays in processing redemption requests for these accounts, you should call the Funds (toll-free) at 1-866-44BAIRD before making the redemption request to determine what additional documents are required.

Transfer of Ownership

In order to change the account registrant or transfer ownership of an account, additional documents will be required. To avoid delays in processing these requests, you should call the Funds (toll-free) at 1-866-44BAIRD before making your request to determine what additional documents are required.

Exchanging Shares

You may exchange all or a portion of your investment from the same class of one Baird Fund to an identically registered account in another Baird Fund. You may also exchange between classes of a Fund or other Baird Funds if you meet the minimum investment requirements for the class into which you would like to exchange. Any new account established through an exchange will be subject to the minimum investment requirements applicable to the shares acquired. Exchanges will be executed on the basis of the relative NAV of the shares exchanged. The exchange privilege may be exercised only in those states where the class of shares of the Fund being acquired legally may be sold.

An exchange from one Baird Fund to another Baird Fund is considered to be a sale of shares for federal income tax purposes on which you may realize a taxable capital gain or loss unless you are a tax-exempt investor or hold your shares through a tax-deferred account such as a 401(k) plan or an IRA. A conversion from shares of one class to shares of a different class within the same Baird Fund is generally not a taxable transaction for federal income tax purposes.

Call the Funds (toll-free) at 1-866-44BAIRD to learn more about exchanges and other Baird Funds.

More Information about the Exchange Privilege

The Funds and other Baird Funds are intended as long-term investment vehicles and not to provide a means of speculating on short-term market movements. In addition, excessive trading can hurt the Funds' performance and shareholders. Therefore, each Fund may terminate, without notice, the exchange privilege of any shareholder who uses the exchange privilege excessively. See "Your Account—Buying Shares—Market Timing Policy." In addition, if you exchange your shares in a Fund for shares in any other Baird Fund, you may be subject to the redemption fee described under "Your Account – Selling Shares – Redemption Fee." The Funds may change or temporarily suspend the exchange privilege during unusual market conditions.

General Transaction Policies

The Funds reserve the right to:

- Vary or waive any minimum investment requirement.
- Refuse, change, discontinue, or temporarily suspend account services, including purchase, exchange, or telephone redemption privileges, for any reason.

- Reject any purchase or the purchase side of an exchange request for any reason. Generally, a Fund does this if the purchase or exchange is disruptive to the efficient management of the Fund (due to the timing of the investment or a shareholder's history of excessive trading).
- Reinvest a distribution check in your account at a Fund's then-current NAV and reinvest all subsequent distributions if you elect to receive distributions in cash and the U.S. Postal Service cannot deliver your check, or if a distribution check remains uncashed for six months. You may change the distribution option on your account at any time by writing or calling the transfer agent. Any request for change should be submitted five days prior to the next distribution.
- Redeem all shares in your account if your balance falls below the Funds' minimum initial purchase amount for the applicable class of shares. If, within 60 days of a Fund's written request, you have not increased your account balance, you may be required to redeem your shares. The Funds will not require you to redeem shares if the value of your account drops below the investment minimum due to fluctuations of NAV.
- Delay paying redemption proceeds for up to seven days after receiving a request.
- Modify or terminate the Automatic Investment and Systematic Withdrawal Plans at any time.
- Modify or terminate the exchange privilege after a 60-day written notice to shareholders.
- Make a "redemption in kind" (a payment in portfolio securities rather than cash) if the amount you are redeeming is in excess of the lesser of (i) \$250,000 or (ii) 1% of a Fund's assets. In such cases, you may incur brokerage costs in converting these securities to cash. The Funds expect that any redemptions in kind will be made with readily marketable securities. However, shareholders who receive a redemption in kind will bear market risk until they sell the securities. For federal income tax purposes, redemptions in kind are taxed in the same manner as redemptions made in cash.
- Reject any purchase or redemption request that does not contain all required documentation.

If you elect telephone privileges on the account application or in a letter to the Funds, you may be responsible for any fraudulent telephone orders as long as the Funds have taken reasonable precautions to verify your identity. If an account has more than one owner or authorized person, the Funds will accept telephone instructions from any one owner or authorized person. In addition, once you place a telephone transaction request, it cannot be canceled or modified.

Telephone trades must be received by or prior to market close. During periods of significant economic or market change, shareholders may encounter higher than usual call waits and telephone transactions may be difficult to complete. Please allow

sufficient time to place your telephone transaction. If you are unable to contact the Funds by telephone, you may also mail the requests to the Funds at the address listed under “Buying Shares.”

Your broker-dealer or other financial organization may establish policies that differ from those of the Funds. For example, the organization may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this prospectus. Contact your broker-dealer or other financial organization for details.

Inactive Accounts. Your mutual fund account may be transferred to your state of residence if no activity occurs within your account during the “inactivity period” specified in your state’s abandoned property laws. If the Funds are unable to locate the investor, then they will determine whether the investor’s account can legally be considered abandoned. The Funds are legally obligated to escheat (or transfer) abandoned property to the appropriate state’s unclaimed property administrator in accordance with statutory requirements. The investor’s last known address of record determines which state has jurisdiction.

Distributions and Taxes

Distributions

Each Fund makes distributions to its shareholders from the Fund’s net investment income and any realized net capital gain.

Distributions from a Fund’s net investment income are declared and paid annually. Net capital gain, if any, is generally distributed annually. It is expected that each Fund’s distributions will be primarily distributions of net capital gain.

Each share class determines its net investment income and net capital gain distributions in the same manner. However, because Investor Class shares have Rule 12b-1 distribution fees, distributions of net investment income paid to Investor Class shareholders will be lower per share than those paid to Institutional Class shareholders.

All of your distributions from a Fund’s net investment income and net capital gain will be reinvested in additional shares of the same class of that Fund unless you instruct otherwise on your account application or have redeemed all shares you held in the Fund.

Taxation

Changes in income tax laws, potentially with retroactive effect, could impact a Fund’s investments or the tax consequences to you of investing in a Fund.

Fund distributions are taxable regardless of whether the distributions are received in cash or reinvested in additional Fund shares, unless you hold your shares through a tax-

deferred account, such as a 401(k) plan or an IRA. Distributions of a Fund's investment company taxable income (which includes dividends, interest, net short-term capital gain and net gain from foreign currency transactions), if any, generally are taxable to the Fund's shareholders as ordinary income (for non-corporate shareholders, currently taxed at a maximum federal income tax rate of 39.6%), except to the extent any of the distributions are attributable to and reported as "qualified dividend income," as described below. For corporate shareholders, distributions of a Fund's investment company taxable income may be eligible for the inter-corporate dividends-received deduction. Fund distributions may not be subject to federal income tax if you are a tax-exempt investor or are investing through a tax-deferred arrangement, such as a 401(k) plan or an IRA, in which case you may be subject to federal income tax upon withdrawal of money from such tax-deferred arrangements. The Funds may be required to withhold federal income tax at a rate of 28% (backup withholding) from dividend payments, distributions, and redemption proceeds if you fail to furnish the Funds with your correct Social Security or tax identification number. You must certify that the number is correct and that you are not subject to backup withholding. The certification is included as part of the share purchase application form.

For non-corporate shareholders, to the extent that a distribution of investment company taxable income is attributable to and reported as "qualified dividend" income, the receipt of such income may be eligible for the reduced federal income tax rates applicable to net long-term capital gain. If a Fund has gross income (excluding net capital gain) of which more than 95% was "qualified dividends," all of that Fund's distributions of investment company taxable income will be eligible for the lower federal income tax rates on "qualified dividends." Certain holding period requirements also must be satisfied by both a Fund and the shareholder to obtain "qualified dividend" treatment.

Distributions of a Fund's net capital gain (the excess of net long-term capital gain over net short-term capital loss) will generally be taxable as long-term capital gains (for non-corporate shareholders, currently taxed at a maximum federal income tax rate of 20%) whether reinvested in additional Fund shares or received in cash and regardless of the length of time that a shareholder has owned Fund shares.

A distribution of a Fund's investment company taxable income or net capital gain declared by the Fund in October, November or December, but paid during January of the following year, is taxable as if received on December 31 of the year such distribution was declared.

If the value of shares is reduced below a shareholder's cost basis as a result of a distribution by a Fund, the distribution will be taxable even though it, in effect, represents a return of invested capital. Investors considering buying shares just prior to a distribution of a Fund's investment company taxable income or net capital gain should be aware that, although the price of shares purchased at that time may reflect the amount of the forthcoming distribution, those who purchase just prior to the record date for a distribution may receive a distribution which will be taxable to them.

Certain individuals, trusts, and estates may be subject to a Medicare tax of 3.8% (in addition to regular income tax). The Medicare tax is imposed on the lesser of (i) a taxpayer's investment income, net of deductions properly allocable to such income or (ii) the amount by which the taxpayer's modified adjusted gross income exceeds certain thresholds (\$250,000 for married individuals filing jointly, \$200,000 for unmarried individuals and \$125,000 for married individuals filing separately). Each Fund's distributions are includable in a shareholder's investment income for purposes of this Medicare tax. In addition, any capital gain realized by a shareholder upon a sale, exchange or redemption of Fund shares is includable in the shareholder's investment income for purposes of this Medicare tax.

The federal income tax status of all distributions made by each Fund for the preceding year will be reported to shareholders annually. Distributions made by the Funds may also be subject to state and local taxes. Please note that distributions of both investment company taxable income and net capital gain are taxable even if reinvested in additional Fund shares.

Shareholders who sell, exchange or redeem shares generally will have a capital gain or loss from the sale, exchange or redemption. The amount of the gain or loss and the rate of tax will depend mainly upon the amount paid for the shares, the amount received from the sale, exchange or redemption, and the length of time that the shares were held by a shareholder. Gain or loss realized upon a sale, exchange or redemption of Fund shares will generally be treated as long-term capital gain or loss if the shares have been held for more than one year, and, if held for one year or less, as short-term capital gain or loss. Any loss arising from the sale, exchange or redemption of shares held for six months or less, however, is treated as a long-term capital loss to the extent of any distributions of net capital gain received or deemed to be received with respect to such shares. In determining the holding period of such shares for this purpose, any period during which your risk of loss is offset by means of options, short sales or similar transactions is not counted. If you purchase Fund shares (through reinvestment of distributions or otherwise) within 30 days before or after selling, exchanging or redeeming shares of the same Fund at a loss, all or part of that loss will not be deductible and will instead increase the basis of the newly acquired shares to preserve the loss until a future sale, exchange or redemption.

If more than 50% of the value of a Fund's total assets at the close of its taxable year consists of stock and securities in foreign corporations, the Fund will be eligible to, and may, file an election with the Internal Revenue Service ("IRS") that would enable the Fund's shareholders, in effect, to receive the benefit of the foreign tax credit with respect to any income taxes paid by the Fund to foreign countries and U.S. possessions. Please see the SAI for additional information regarding the foreign tax credit.

Each Fund is required to report to certain shareholders and the IRS the cost basis of Fund shares acquired on or after January 1, 2012, when such shareholders subsequently sell, exchange or redeem those Fund shares. The Funds will determine cost basis using the average cost method unless you elect in writing (and not over the telephone) any alternate IRS-approved cost basis method. Please see the SAI for more information regarding cost basis reporting.

Additional tax information may be found in the SAI. Because everyone's tax situation is unique, always consult your tax professional about federal, state and local tax consequences of an investment in the Funds.

For More Information

You can find more information about the Funds in the following documents:

Statement of Additional Information (“SAI”)

The SAI contains details about the investments and techniques of the Funds and certain other additional information. A current SAI is on file with the Securities and Exchange Commission (“SEC”) and is incorporated by reference into this prospectus. This means that the SAI is legally considered a part of this prospectus even though it is not physically within this prospectus.

Annual and Semi-Annual Reports

The Funds’ annual and semi-annual reports provide information regarding the Funds’ financial reports and portfolio holdings. The annual report contains a discussion of the market conditions and investment strategies that significantly affected the Funds’ performance during the Funds’ last fiscal year.

You can obtain a free copy of these documents, request other information, or make general inquiries about the Funds by calling the Funds (toll-free) at 1-866-44BAIRD or by writing to:

Baird Funds, Inc.
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

The Funds’ prospectus, SAI and the annual and semi-annual reports are also available, free of charge, on the Funds’ website at www.bairdfunds.com.

You may write to the SEC’s Public Reference Room at the regular mailing address or the e-mail address below and ask them to mail you information about the Funds, including the SAI. They will charge you a fee for this duplicating service. You can also visit the SEC’s Public Reference Room and review and copy documents while you are there. For more information about the operation of the SEC’s Public Reference Room, call the SEC at the telephone number below.

Public Reference Section
Securities and Exchange Commission
100 F Street
Washington, D.C. 20549-1520
publicinfo@sec.gov
(202) 551-8090

Reports and other information about the Funds are also available on the EDGAR database on the SEC’s Internet website at <http://www.sec.gov>.